



IDAHO WINE
COMMISSION

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Economic Impact Study

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September 2019



*Community Attributes Inc. tells data-rich stories about communities
that are important to decision makers.*

President and CEO:
Chris Mefford

Project Manager:
Spencer Cohen, PhD

Analysts:
Bryan Lobel
Zack Tarhouni

Community Attributes Inc.
500 Union Street, Suite 200
Seattle, Washington 98101

www.communityattributes.com

Executive Summary

Idaho Wine Overview

In 2017, the Idaho wine industry...

- Produced 225,700 cases of wine.
- Jobs directly supported by wine production and downstream distribution and sales summed to 490 workers, including 280 winery workers and proprietors at wineries, plus another 210 workers at restaurants, retail outlets, and wholesalers, based on an annualized average.
- Vineyards employed an additional 60 workers, based on an annualized average.
- Generated \$46 million in direct sales, based on \$31.4 million in winery sales and \$14.6 in multi-tier mark-up revenues.
- Wine production and distribution and sales had a total economic impact, including direct, indirect, and induced effects, of 720 jobs and \$74.1 million in business revenues across the state.
- Tourism that includes wine visits is associated with \$108.9 million in visitor spending on other goods and services, in addition to wine sales and a total economic impact of \$135.5.
- The total impact of the wine industry, including industry operations, downstream distribution and sales, and associated tourism activities, summed to \$209.6 million in business revenues in 2017.

Introduction

The wine industry in Idaho is growing in size, quality, and recognition, and is a growing economic sector in Idaho, though it remains small compared to the other Western U.S. wine growing regions in California, Oregon, and Washington. Idaho harvests an average 3,000 tons of grapes and produces nearly 200,000 cases of wine per year, reaching 225,700 in 2017.¹ By comparison, Washington produced 229,000 tons of grapes and approximately 13.2 million cases of bottled wine in 2017. Despite its small size, Idaho is steadily gaining a reputation as a producer of award-winning wines and as a destination for wine tourism.

In 1976, Idaho had one winery. Today, it has 60 operating wineries with a collective 1,300 acres of vineyards. The latest USDA Fruit Tree Census for Idaho (2006), showed rapid growth between 1999 and 2006, when Idaho's acres of wine grapes increased from 656 to 1,215 acres; in 2018, acreage reached an estimated 1,300. Most of Idaho's vineyards are in the Snake River Valley American Viticultural Area (AVA), which spans Idaho and Oregon. This region's high-altitude vineyards, 3,000 feet above sea level, produce high quality grapes. The Snake River Valley is Idaho's first AVA, applied for in 2005 and granted in April 2007. Since then, Idaho has added two more AVAs: Eagle Foothills in November 2015, located entirely within the Snake River Valley, and Lewis-Clark Valley in April 2016, 72% of which is in Idaho and the rest in Washington.

¹ Idaho Grape Growers & Wine Producers Commission, 2019.

Strengths, Challenges, and Opportunities

STRENGTHS

Idaho wines are price competitive and a great value. Idaho produces premium wines at a price point often below those available from Washington state, California, and Oregon. This is in part due to the lower price of wine grapes produced in Idaho, even for grapes of high quality. According to the interviewees for this study, a ton of red wine grapes on average produced in Idaho sells for \$1,600, and \$1,400 for white wine grapes. This compares with \$2,400 and \$2,200 in Washington, respectively, based on stakeholder feedback. Idaho wineries are also often highly accessible to the growing Boise area population and offer friendly, family-owned facilities surrounded by natural beauty, and thus a draw for outside visitors.

CHALLENGES

Wineries in Idaho seek to build and strengthen Idaho's reputation and brand as a source of high quality, premium wine, while also facing limitations in in-state grape production and availability of key infrastructure and economic development assets. In addition to these challenges, an important factor influencing the growth trajectory of the industry are the goals and objectives of winemakers. According to interviews, oftentimes winemakers are not able to secure appropriate financing, or do not have access to custom facilities, inhibiting growth. Many of these challenges reflect the size of Idaho's wine industry, which is roughly one sixtieth the size of neighbor Washington based on volume of production. But these challenges also present opportunities for future growth.

Brand Awareness

According to interviewees, reputation and brand awareness remain two of the largest constraints on growth. Idaho has long been associated with less expensive wine. Idaho has yet to develop a national reputation for high quality wines as has been established by Washington, Oregon, and California wineries, which creates downward pressure on prices. It remains a challenge for high quality winemakers to convey to consumers the value of Idaho wine as compared with Washington, Oregon, and California labels.

Supply Chain and Ecosystem Assets

Limited land for grape production—either due to lack of appropriate wine grape land or competing uses—has been cited by winemakers as a considerable constraint on overall growth and the Idaho brand. However, other analysis has shown there to be significant land remaining for vineyard development. According to a study commissioned by the Idaho Wine Grape and Wine Producer Commission in 2011, an estimated 6% of the terroir zoning for the Snake River Valley AVA—approximately 135,300 hectares (or 334,300 acres)—was considered of excellent topographic suitability for wine grape production.

This land constraint results in a limit on the availability of overall grapes available for small and medium-sized producers and the availability of specific grape varieties that are often not grown in Idaho. The Columbia Valley in Washington state is often cited as a significant out-of-state source for wine grapes.

Grape sourcing also varies by winery. Some wineries sourced as much as 80% of grapes in a typical year from Washington, while others use only Idaho grapes. One winery said they try to source from Idaho but finding adequate supply in-state is difficult; one year they purchased 70% of their grapes from Washington. Another major issue is lack of certainty surrounding grape purchases. Wineries typically seek contracts to lock in their supply of grapes, but these can be difficult for smaller operations.

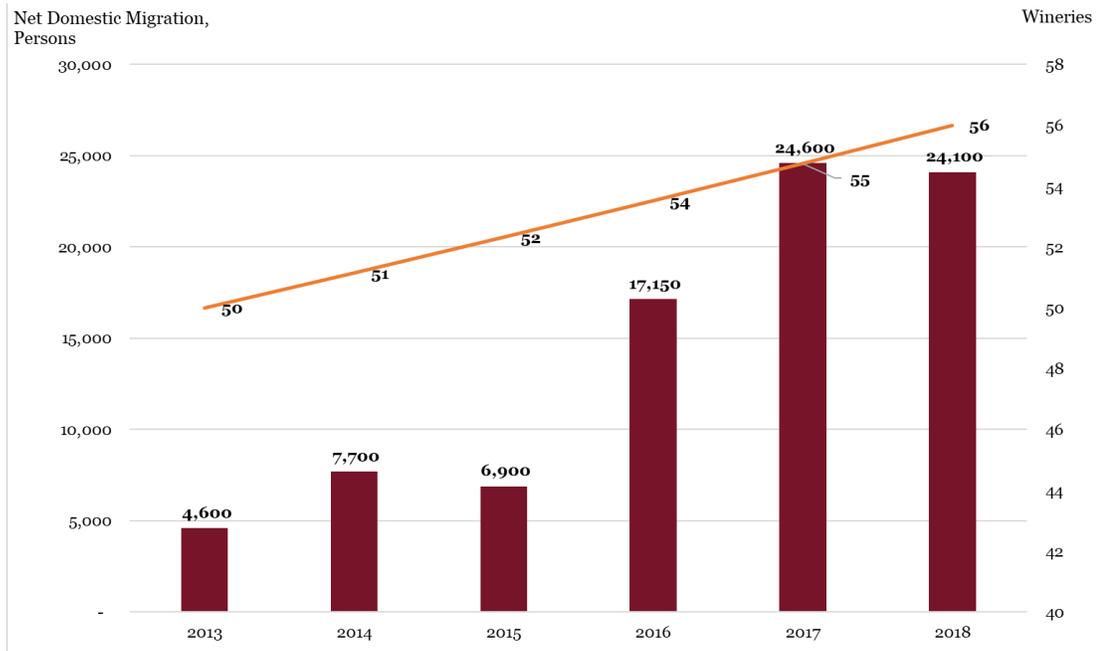
Based on research for this study, a lack of sufficient bottling and storage capabilities in-state has prompted some winemakers to utilize out-of-state facilities. Idaho also lacks banks specializing in wine grape production financing and educational and training programs for wine making, such as those found at Washington State University, Walla Walla College, and University of California, Davis.

However, as the industry grows, supporting services identified as missing may incrementally develop and support continued growth of wine expansion and start-ups.

GROWTH OPPORTUNITIES

Idaho is growing in population, and this growth supports wine consumption. Between 2010 and 2017, the Boise area's population increased by 15%. Of this, the majority are from California, many of more affluent backgrounds and seasoned wine consumers. Between July 2017 and 2018, there were 15,746 net new residents from California moving into Idaho, accounting for nearly 60% of total migrants that year. Migrants into the Treasure Valley were most likely to be from the Los Angeles metro area. There was a net total of 24,100 new residents to Idaho from other parts of the U.S. in 2018 (**Exhibit E-1**).

Exhibit E1. Net Domestic In-migrants (LHS) and Number of Wineries, 2013-2018



Sources: U.S. Census Bureau, 2019; Idaho Grape Growers & Wine Producers Commission, 2019; Community Attributes Inc., 2019.

Idaho’s tourism industry continues to grow as outsiders seek experiences in the state’s vast wilderness and outdoor recreation. Hotels and restaurants can serve as amplifiers of the wine industry, including Idaho wine on their wine lists and raising awareness of Idaho wine among tourists, many of whom seek to sample local food and beverage products.

In 2018, based on latest data available from the Idaho Tax Commission, Idaho wineries represent approximately 10.5% of all wine sold in Idaho by volume. This implies that many Idaho wine consumers are still purchasing outside brands, such as from Washington, California, and imports. However, consumers typically give preference to local premium wines of comparable value. The more Idaho wine gains reputation and awareness in-state, the greater the expected in-state market share for these labels.

Growth opportunities exist for Idaho wines in western states that do not have strong local wine industries, such as Utah and Wyoming. Sales in states with robust domestic wine industries, such as California and Washington state, will remain challenging markets for Idaho wines.

Wine Production Has Sizable Impacts on the Idaho State Economy

Idaho's wine industry had direct revenues of \$46 million in 2017, including \$31.4 million in winery revenue. An additional nearly \$14.6 million in revenues were generated through mark-ups among retailers, restaurants, and wholesalers. The industry directly employed 520 workers in 2017, of which 280 were in wineries. Factoring in additional secondary impacts throughout the state through upstream business-to-business transactions (indirect) and household consumption (induced), the wine industry supported a total economic impact of 720 jobs and \$74.1 million in sales.

Wine is Increasingly Part of an Idaho Tourism Experience

Wineries often benefit from the large influx of tourists whose purpose, while not primarily wine, often include a wine-related activity as part of their itinerary. Idaho is also gaining recognition as a wine destination for its value, accessible wineries and vineyards, and natural beauty. Wineries facilitate wine tourism through investments in tasting rooms and scenic locations either along popular pedestrian bicycle routes or in the countryside.

According to some interviewees, wine tourists often discover Idaho wine unexpectedly during their stay, such as at a restaurant or hotel that serves local wine. The close proximity of many wineries to Boise, including second location tasting rooms downtown, make it easy for tourists to make unplanned forays into the local wine industry.

Wine tourism supports regional economic growth primarily through spending by wine tourists on various goods and services as part of a winery tour experience. These include hotel stays, restaurants, local travel expenses—such as ride share, taxis, and gas—and souvenirs, all in addition to winery on-site purchases already captured as part of winery revenues.

In 2017, an estimated 744,00 people visited wineries in Idaho, either as part of wine-specific vacation or as part of a larger itinerary that included many other sites and activities in Idaho.² This volume of visitors is equivalent to 3% of all visitors to Idaho in 2017. These visitors spent an estimated \$108.9 million on various non-wine goods and services, or an average of approximately \$347 per visitor. Expenditures include hotel rooms, restaurants, travel expenses, and many other purchases tied to their overall, much broader tourism itinerary. The economic impacts of this spending totaled 1,600 jobs, of which 1,100 were direct, \$42.7 million in labor income, and \$135.5 million in business revenues across the state economy.

² Estimates are based on existing reports on tourism in Idaho, including by Longwoods International and Dean Runyan Associates.

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Contents

Executive Summary	i
Introduction	1
Overview of the Industry in Idaho	4
The Wine Production Business Model and Supply Chain	6
Idaho's Wine Industry Indicators	10
Growth Horizon and Strengths, Challenges, and Opportunities	14
Economic and Fiscal Impacts of Wine Production	18
Wine Tourism	19
Summary and Conclusions	21
Appendix	23

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Introduction

Background and Purpose

The wine industry in Idaho is growing in size, quality, and recognition, though it remains small compared to the other Western U.S. wine growing regions in California, Oregon, and Washington. In recent years, Idaho has harvested an average of 3,000 tons of grapes and produces nearly 200,000 cases of wine per year, reaching 225,700 in 2017.³ By comparison, Washington produced 229,000 tons of grapes and approximately 13.2 million cases of bottled wine in 2017. Despite its small size, Idaho is steadily gaining a reputation as a producer of award-winning wines and as a destination for wine tourism. The year 2018's harvest is expected to produce particularly good grapes due to favorable weather conditions and a long harvest.

In 1975, Idaho had one winery. Today, it has 60 operating wineries with a collective 1,300 acres. The latest USDA Fruit Tree Census for Idaho (2006), showed rapid growth between 1999 and 2006, when Idaho's acres of wine grapes increased from 656 to 1,215 acres. Most of Idaho's vineyards are in the Snake River Valley American Viticultural Area (AVA), which spans Idaho and Oregon. This region's high-altitude vineyards, 3,000 feet above sea level, produce high quality grapes. The Snake River Valley is Idaho's first AVA, applied for in 2005 and granted in April 2007. Since then, Idaho has added two more AVAs: Eagle Foothills in February 2015, located entirely within the Snake River Valley, and Lewis-Clark Valley in April 2016, 72% of which is in Idaho and the rest in Washington.⁴

Precept Wine is the largest privately owned wine company in the Pacific Northwest and has a substantial presence in Idaho.⁵ It owns two of the state's biggest wineries, Ste. Chapelle Winery and Sawtooth. Winemakers LLC owns 500 acres of vineyards in Idaho, including Skyline and Sawtooth vineyards. Many of Idaho's smaller wineries source their grapes from these vineyards. Fujishin Family Cellars, Huston Wine, Bitner Vineyards, Cinder Wine, Coiled Wines, Telaya, Koenig, and Indian Creek Winery were standouts from 2018's Idaho Wine Competition.

Idaho wines continue to be relatively rare in stores and restaurants outside Idaho, even though the state is well connected to the larger Pacific Northwest wine industry through multi-state companies and AVAs; Idaho wine case production is still relatively low compared with surrounding regions and most is sold in-state. Though still uncommon, Idaho's brand as a quality winemaker is growing. Food & Wine Magazine called it "the next must-go-see-taste wine destination in the country," while Wine Enthusiast says the region has "endless

³ Idaho Grape Growers & Wine Producers Commission, 2019.

⁴ *Wines Northwest*, "Idaho Wines, Wines and Wine Country," May 2019.
<https://www.winesnw.com/idhome.html#Lewis-ClarkValleyAVA>.

⁵ Precept Winery, "About," <https://www.preceptwine.com/about>

potential.^{6,7} Idaho's wine industry has also drawn attention for the large number of women in leading roles across the state's wineries and vineyards.⁸

This study evaluates the economic impacts of these activities to the Idaho state economy. Findings will help inform broader discussions on how best to continue to support the industry and raise awareness of the contributions of this industry to the statewide economy and local communities.

Methods

Analytics in this report draw from multiple data sources for 2017, 2018, and prior years across several years, including wine production data from the U.S. Alcohol and Tobacco Tax and Trade Bureau, licensed wineries and vineyard operations from the Idaho Grape Growers & Wine Producers Commission, land use data from the U.S. Department of Agriculture, and employment and wage data from the U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis. Data and information on supply chain linkages and business activities are gathered from news articles, reports, and interviews with businesses and operators in Idaho. An electronic survey, developed by Community Attributes Inc. and distributed by the Idaho Grape Growers & Wine Producers Commission, was also deployed to solicit information on business operations and the importance of tourism. Economic impacts are estimated using the IMPLAN statewide model for Idaho.

When possible, the most recent estimates are reported for wine activities in Idaho. However, due to incomplete 2018 data at time of this report, economic impacts are reported for the most recent complete year of data, 2017.

⁶ Margaret Shakespeare. "America's Next Must-Visit Wine Region Is Where You'd Least Expect It." *Food & Wine*. April 11, 2018. <https://www.foodandwine.com/wine-regions/idaho-wine-vineyards>

⁷ Adam H. Callaghan. "Idaho's Wine Scene has Endless Potential." *Wine Enthusiast*. September 11, 2018. <https://www.winemag.com/2018/09/11/idaho-wine-scene/>

⁸ Ronald Holden. "Idaho's Famous Potatoes Making Way For Idaho Grapes." *Forbes*. February 20, 2018. <https://www.forbes.com/sites/ronaldholden/2018/02/20/idahos-famous-potatoes-making-way-for-idaho-grapes/#6cc92352e267>.

Organization of Report

The remainder of this report is organized as followed:

- **Idaho's Wine Industry Indicators.** A review of leading data trends for the industry and baseline profiling, including the history of the industry, review of the wine production business model, and key indicators.
- **Economic and Fiscal Impacts.** Jobs, income, business revenues, and associated tax revenues supported directly by the industry or through upstream business-to-business transactions (indirect) and household consumption expenditures (induced).
- **Wine Tourism.** Estimated size, breadth, and impact of wine tourism to the state economy.
- **Summary and Conclusions.** Review of key findings.

Overview of the Industry in Idaho

The first wineries in the Pacific Northwest were in Idaho. Beginning in 1864, when the first wine grapes were grown in Lewiston, the Idaho wine industry steadily matured until prohibition shut it down in 1916. The industry lay dormant until the 1970s when wine grapes cultivation began in the Snake River Valley.⁹ In 2007, this area became the state's first AVA, followed by Eagle Foothills AVA in 2015 and Lewis-Clark Valley AVA a year later (**Exhibit 1**).

Since around the year 2000, the total number of wineries has grown significantly, from fewer than 10 to 56. The largest winery, Ste. Chappelle, decreased its volume while new wineries increased and added volume. These newer wineries bring a higher quality and higher priced product than has been historically produced in the state.

Exhibit 1. Timeline of Idaho Wine Industry

1864	First grapes (Royal Muscadine) planted in Lewiston, Idaho
1919	Prohibition begins
1933	Prohibition lifted
1970s	Grapes planted in Snake River Valley
1976	Ste Chappelle opens (first winery)
1984	Idaho Grape Growers & Wine Producers Commission is formed
1997	10 wineries
1999	656 acres of grapes planted (Idaho Dept of Agriculture)
2002	11 wineries in Idaho
2005	25 wineries
2007	Snake River AVA designation
2008	38 wineries
2010	43 wineries, 1200 acres planted
2011	43 wineries
2013	50 wineries, 1200 acres planted
2015	Eagle Foothills AVA designation
2016	Lewis-Clark Valley AVA
2017	52 wineries, 1300 acres planted

Source: Idaho Grape Growers & Wine Producers Commission.

⁹ Idaho Grape Growers & Wine Producers Commission.

AVAs

American Viticultural Areas (AVAs) are wine grape growing regions officially designated by the Alcohol and Tobacco Tax and Trade Bureau (TTB) and the Department of the Treasury. The federal government receives petitions for new AVAs and grants them if the region's climate, soil, elevation, and features are distinctive. Wines made with at least 85% grapes from an AVA may use the name,¹⁰ indicating to customers that the wine carries the distinctive flavors or qualities associated with this specific area. There are currently 244 AVAs in the U.S., of which 139 are in California, 10 in Washington and 15 in Oregon, not including multi-state AVAs.¹¹

The Snake River Valley AVA is Idaho's first and largest. It extends into Oregon and is home to the majority of Idaho wineries and vineyards. The climate is dry (less than 10 inches of precipitation per year) and experiences cold winters. There are 15 different varieties planted, including Cabernet Sauvignon, Chardonnay, Viognier, Riesling, and Syrah. Eagle Foothills AVA is 50,000 acres completely contained within the Snake River Valley AVA. The microclimate, particularly the soil and drainage flow of this area, make it unique within the valley.

Lewis-Clark Valley AVA, established 2016, is the third AVA in Idaho. The AVA's 306,658 acres stretch across Northern Idaho and Washington state near Lewiston; 219,838 acres (72%) are in Idaho. The AVA consists of canyons and plateaus along the Snake and Clearwater rivers. The Lewis-Clark valley is more temperate than surrounding areas and produces peaches and apples in addition to wine grapes. As of April 2016, there were 15 red and 9 white varieties of grape grown in the Lewis-Clark AVA.^{12,13}

¹⁰ Electronic Code of Federal Regulations. https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&sid=33fc0c0194b58b6fe95208945b5c637a&rgn=div5&view=text&node=27:1.0.1.1.2&idno=27#se27.1.4_125

¹¹ Alcohol and Tobacco Tax and Trade Bureau. "Established American Viticultural Areas." https://www.ttb.gov/wine/us_by_ava.shtml

¹² Wines Northwest. "Eagle Foothills AVA." <https://www.winesnw.com/eaglefoothillsAVA.htm>

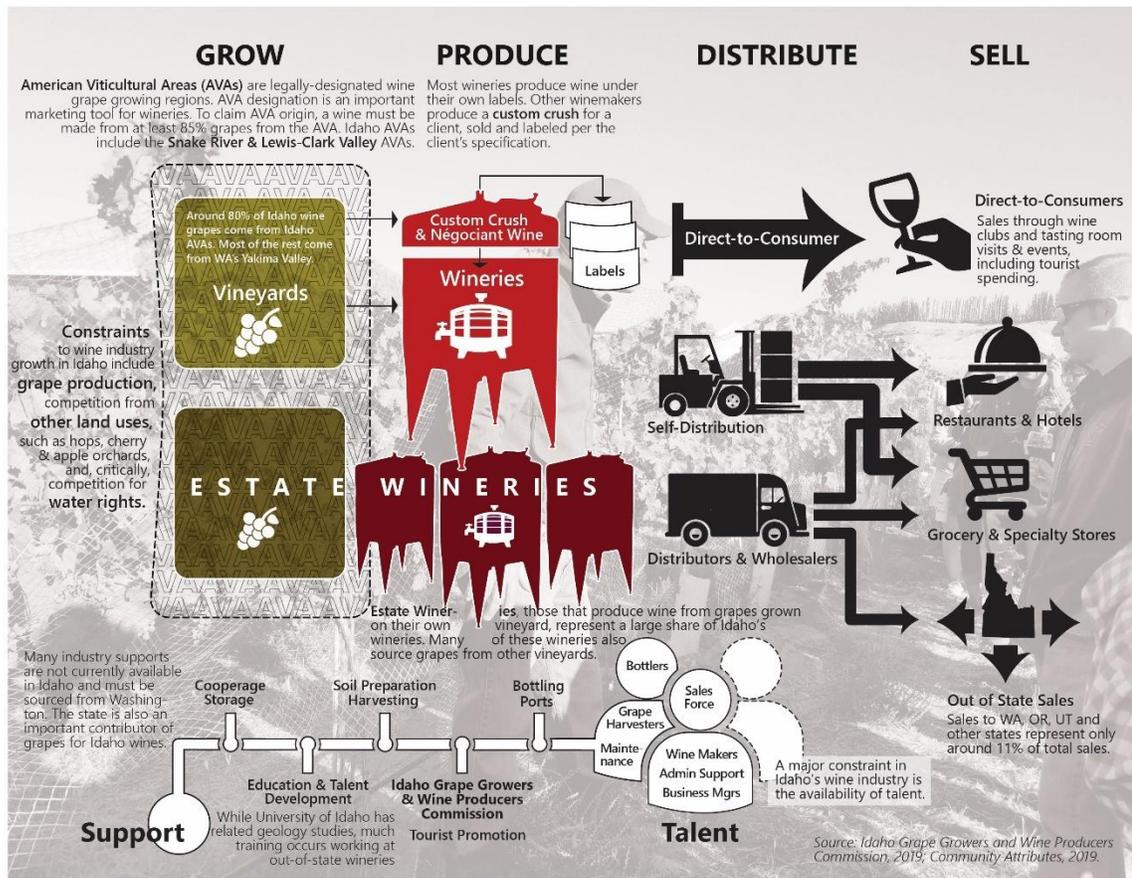
¹³ Lewis-Clark Valley Wine Alliance. "Vineyards." <https://lewisclarkwine.com/vineyards/>

The Wine Production Business Model and Supply Chain

The wine industry involves an extensive supply chain and eco-system of producers, suppliers, supporting services, and sales and distribution chains. Wineries include standalone wineries and estate wineries which operate both grape vineyards and wine production facilities.

Exhibit 2 below provides an overview of each major component of this ecosystem.

Exhibit 2. Idaho Wine Industry Cluster Map



Vineyards and Wineries

WINERIES AND ESTATE WINERIES

The largest and longest running winery in the state is Ste. Chapelle Winery, the first post-prohibition winery to open in Idaho. It's owned by Precept Wine, the biggest wine producer in the Pacific Northwest and one of the top 13 in America in size.¹⁴ Founded in 2003, Precept now has extensive, vertically integrated operations across Washington state. They are also present in Oregon, New Mexico and, with the August 2018 acquisition of Truett-Hurst wholesale, California. In Idaho, Precept owns Ste. Chapelle winery and Sawtooth estate winery. Winemakers LLC is the largest vineyard owner, including the 400-acre Skyline vineyard and Sawtooth Vineyard. In 2018, Precept operations produced 75,000 cases of wine from their Idaho labels.¹⁵

Cinder Winery, started in 2008 in the Snake River Valley AVA, is another large wine producer in Idaho. Cinder sources its grapes from multiple Idaho vineyards, including Precept's Sawtooth and Skyline vineyards. They also use grapes from the Oregon portion of the Snake River Valley AVA. Another large producer of wine is Huston Winery, an estate winery located in the Snake River Valley. Nearly all of Idaho's wineries are small operations with 3% or less of the total statewide production. Wineries and estate wineries directly supported 280 workers in 2017, based on an annualized average.

VINEYARDS

Idaho is home to three American Viticultural Areas (AVA), the largest of which is the Snake River Valley AVA, which spans Idaho and Oregon. This region's high-altitude vineyards, 3,000 feet above sea level, produce high quality grapes. The Snake River Valley is Idaho's first AVA, applied for in 2005 and granted in April 2007. Since then, Idaho has added two more AVAs: Eagle Foothills in November 2015, located entirely within the Snake River Valley, and Lewis-Clark Valley in April 2016, 72% of which is in Idaho and the rest in Washington. The Snake River Valley AVA encompasses approximately 8,263 square miles over the Western Snake River Plain of Idaho and Oregon.¹⁶ These vineyards directly supported an estimated 60 jobs, based on an annualized average. These jobs are in addition to workers employed at wineries and estate wineries.

Data from 2016 is used because 2017, the latest assessment data available, was a particularly bad year for Idaho grape harvests. The 2016 winter was the coldest in 35 years. A January cold snap in the Caldwell area severely damaged wine grape vines. Overnight temperatures were 18 degrees below zero for multiple nights in a row. This area is the center of Idaho's wine industry and most vineyards decided to cut their vines to the root. For this reason, 2017 is not a representative year for production or grape sourcing.

¹⁴ Precept Wine Website.

¹⁵ Phil Kazanjian, Precept. Interview.

¹⁶ Gregory V. Jones and Andrew A. Duff, "The Climate and Landscape Potential for Quality Wine Production in the Snake River Valley AVA," Idaho Grape Growers & Wine Producers Commission, 2011.

The Skyline and Sawtooth vineyards supply many other Idaho wineries with grapes. In 2017, they sold 175 tons of grapes to Idaho wineries, accounting for approximately 42% of total wine grapes sold in-state. The large majority of the grapes used to make Idaho wine are grown in-state, but a significant amount come from Washington vineyards. 2017 was a particularly bad year for Idaho grape harvests due to an unusually cold winter. That year, Idaho wineries purchased 544 tons of grapes from out of state vineyards and 401 tons from in-state vineyards.¹⁷ Wine Makers LLC, based in Seattle and owner of Skyline Vineyard, is the largest supplier of wine grapes in the region.

Distributors and Wholesalers in Idaho

Hayden Beverage Company, Idaho Wine Merchant and TEC Distributing are the main distributors in Idaho. These companies carry Idaho wines and operate primarily in the state. Hayden covers more land and population than any other Idaho distributor and is present in 97% of the state's alcoholic beverage market.¹⁸ They also have a presence in Eastern Washington and Montana selling non-alcoholic beverages. Idaho Wine Merchant operates in Southern, Northern and Eastern Idaho. TEC carries Idaho wine, including Precept's brands, Cold Springs, and Pend Oreille wine. They distribute in 24 counties in Southern and Eastern Idaho.

In addition, there are a number of national and regional distributors that distribute wine in Idaho state. Craig Stein and Southern Glazer's Wine & Spirits of America (both part of The Odom Corporation), as well as Vehrs Inc are examples. Many of the alcoholic beverage distributors in Idaho are represented by the Idaho Beer and Wine Distributors Association and some of their members are partners or owned subsidiaries of other distributors. The Three-Tier system, selling from wine producer to distributor to retailer,¹⁹ is used by most of Idaho's largest wineries.²⁰ Small wineries in Idaho mostly sell directly to consumers or engage in self-distribution.

Based on Idaho Tax Commission data, Idaho wines have on average sold 59% of wine by volume to distributors (not including self-distribution) between 2013 and 2017, with a recent peak of 65% of volume sold in 2014. However, based on interviews, the vast majority of these distribution-based sales are among Idaho's largest wineries, such as Ste. Chappelle.²¹

Idaho Wine Industry's Relationship with Other States

Washington, and to a lesser extent Oregon, is important supplier of grapes and juice for Idaho's wineries because of Idaho winemakers' preferences, and current levels of Idaho grape production. Idaho does not yet produce enough grapes in-state to supply its wine industry.²²

¹⁷ Idaho Grape Growers & Wine Producers Commission assessment data.

¹⁸ Hayden Beverage Company. <http://www.haydenbeverage.com/>

¹⁹ Idaho Beer & Wine Distributors Association, Inc. <http://www.ibwda.com/>

²⁰ Idaho Grape Growers & Wine Producers Commission, "The Economic Impact of Idaho's Wine Industry." October 2014.

²¹ Idaho Tax Commission, 2019.

²² Stakeholder interviews.

In 2018, out-of-state-sourced grapes represented about 25% of all grape sales to wineries, of which the majority came from the Yakima region of Washington state.

However, in years of poor harvest, such as the exceptionally cold winter of 2017, approximately 58% of grapes came from outside the state.²³

Many wineries have long standing relationships and contracts with grape growers for most of their grapes. The rest is supplemented by spot buying grapes each season. One winery said they spot buy 10-15% of their grapes each year. One winery who sourced their grapes from the Snake River Valley AVA bought from both the Idaho and Oregon sides, though the majority were from Oregon.

Critical services and expertise are also often provided from outside the state. Idaho currently does not have an independent, mobile bottling operation. For wineries that have not invested in their own bottling operations, their options are either to contract with a winery that does have the necessary machinery or with a bottling facility outside the state, such as in Walla Walla. Likewise, for education and training, there are no viticulture and enology programs in Idaho; many winemakers either learn through on-the-job training, as a hobbyist, or through a training program in either Washington state or California, such as at Washington State University or University of California, Davis.

Barrels typically come from California, capsules from France, corks from Italy, glass from China, and yeast and chemicals from other parts of the U.S. Notably, there's been an 8% increase in the price of Chinese glass attributable primarily to the 2018 and 2019 trade dispute between the U.S. and China.

For vineyards, nurseries are an important resource. When starting a new vineyard or replacing or expanding an existing operation, Idaho growers typically purchase starter vines or greenhouse potted plants from a specialized nursery in Washington, Oregon, or California. Idaho vineyards prefer using starter vines or greenhouse potted vines over grafting due to Idaho's winters and climatic conditions. No such certified nurseries exist yet in Idaho, but 5-6 operate in Washington alone, including in Benton County (such as Inland Desert Nursery) and Skagit Valley.

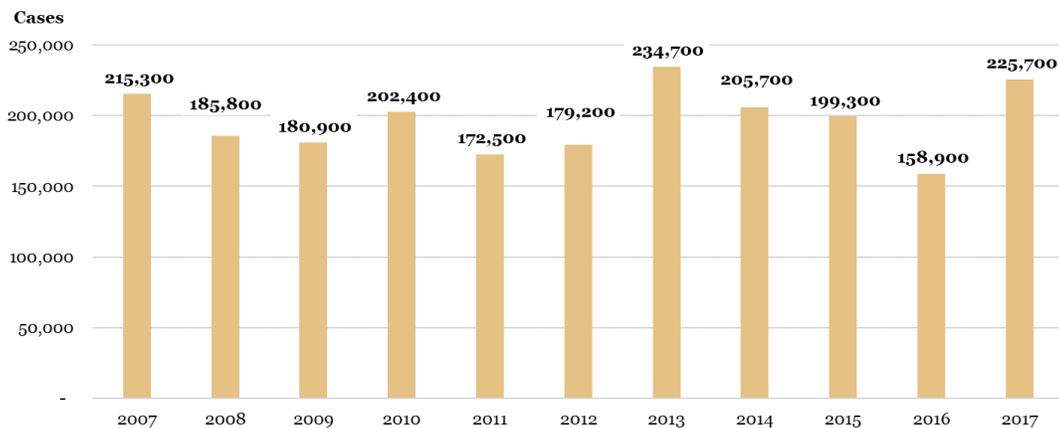
²³ Idaho Grape Growers & Wine Producers Commission assessment.

Idaho's Wine Industry Indicators

Idaho Wine Production

Over the past decade, total Idaho wine production by volume has remained relatively steady, according to the U.S. Tax and Trade Bureau (**Exhibit 3**). However, over a dozen new wineries have opened during this time. The bulk of total Idaho wine production is done by Ste. Chapelle, which is also the longest operating winery in the state. Although these new wineries do not contribute significantly to total state production, they have an enormous impact on the reputation and trajectory of the state industry. These small operations create unique, high-quality Idaho wine, and do the majority of tourism sales.

Exhibit 3. Wine Production 2007-2017 (Cases)



Sources: U.S. Alcohol and Tobacco Tax and Trade Bureau, 2019; Community Attributes Inc., 2019.

Looking back further, federal production data shows clear growth in total state production. From 1997 to 2017, despite seasonal and multi-year fluctuations, state-wide production rose by approximately 35,000 cases per year. One reason for the relatively small increase in total production compared with the faster growth of Idaho's wineries is that these new wineries are small. The oldest and largest winery in Idaho is Ste. Chappelle, which in previous decades has produced between 150,000 to 200,000 cases per year, representing nearly all of Idaho wine production. More recently, Ste. Chappelle's production has been approximately 80,000 cases, due in part to the declining popularity of Riesling.²⁴ While Ste. Chappelle's production has declined in absolute and relative terms, dozens of new wineries have opened or increased their production, resulting in only a small change to the state's total wine production for the past 20 years.

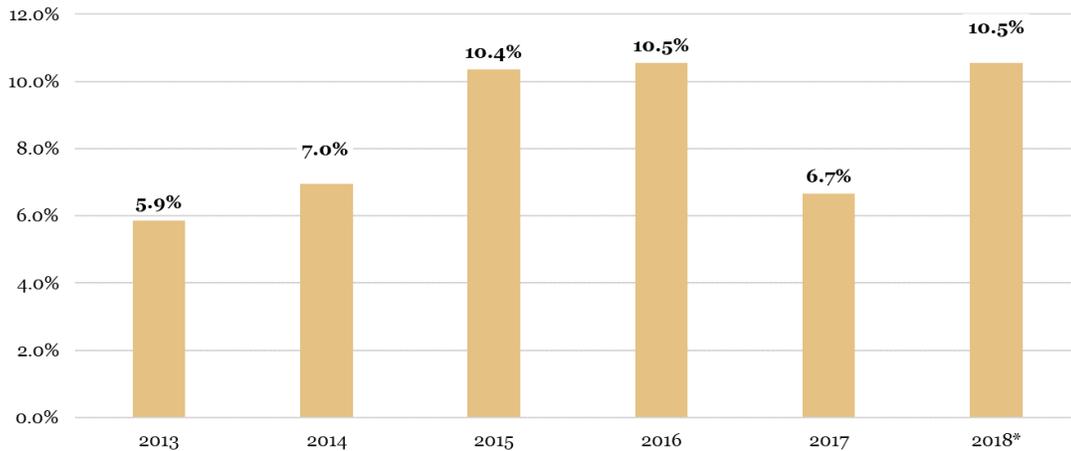
IDAHO'S WINE MARKET AND MARKET SHARE

Between 2011 and 2017, total wine by volume sold in Idaho from all sources (including from California, Washington, and imports) nearly doubled, increasing from 973,500 cases to

²⁴ Interview with Precept.

nearly 1.9 million cases. The earliest available data on Idaho wine sold within Idaho is for 2013. Between 2013 and 2017, Idaho wine sold by volume within Idaho increased by 51%, faster than overall wine sales by volume—from all sources, including domestic and international imports—over this same period (33%). Idaho’s wineries held a market share position of 10.5% for all wine sold in-state in 2018, based on volume. This is consistent with years 2015 and 2016 (**Exhibit 4**). Even though Idaho’s wine market share has not changed in recent years, the economic impact has grown as the overall market has increased and more wine is sold in-state.

Exhibit 4. Idaho Wine Share of In-State Wine Sales by Volume, 2013-2018

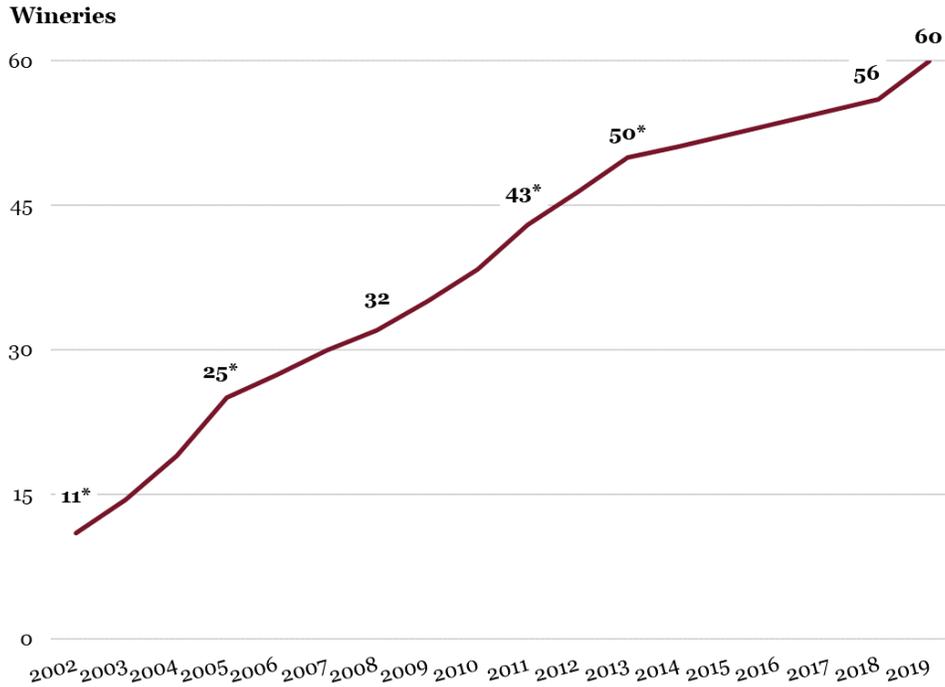


Sources: *Idaho Tax Commission, 2019; Community Attributes Inc., 2019.*
*2018 based on incomplete annual data.

Idaho Wineries

While total production is a relevant metric, the number of operating wineries is equally or more important. As of 2019, there are 60 wineries operating in Idaho, an increase of 49 since 2002 (**Exhibit 5**).

Exhibit 5. Wineries and Estate Wineries, 2002-2018



Sources: *Idaho Grape Growers & Wine Producers Commission, 2014 and 2019; Community Attributes Inc., 2019.*

There are roughly twice as many wineries as vineyards in Idaho. More than half the wineries in Idaho are estate wineries, meaning they grow some or all of the grapes used in their production. In 2018, there were 27 wineries, 29 estate wineries, and 30 vineyards.

Business Revenues, Jobs, and Income

BUSINESS REVENUES

Wine production supports business revenues through multiple sales channels. The most common among small operations is direct-to-consumer, either through wine clubs or direct sales at the winery. Interviews and survey findings indicate that, especially among smaller wineries, direct-to-consumer sales can represent upwards of 90-100% of total sales.

The second avenue for sales is through self-distribution, whereby a winery sells its product in the form of packaged goods (commonly cases of bottle wine, but also in cans) or in kegs to be resold as house wine at local restaurants. Wholesaling and distribution are much less common among most wineries, due to the economies of scale required to maintain a wholesaling relationship. For larger wineries, wholesaling and distribution is often essential and a more efficient sales channel. This report estimates that approximately 58% of Idaho wine by volume was sold via wholesaling and distribution from 2013 to 2017, although the vast majority of this was Precept Wine.²⁵

At each tier of wine sales, other than direct-to-consumer, an additional mark-up is generated from the further sale of wine either to a restaurant, bar, wine or grocery store, or final consumer. When wine is purchased by a wholesaler and resold to a restaurant, bar, or grocery store, an estimated additional 30% of the purchase price is added as revenue to the wholesaler. An estimated additional mark-up of 30% is charged by retail outlets to final consumers, while at restaurants and bars the additional mark-up is approximately 100%. Wine sales from the winery plus additional mark-ups through sales channels (excluding the underlying production value of the wine) sum to total wine industry revenues.

Wine industry total revenues were extrapolated based on interviews with 9 wineries and survey responses from an additional 14 wineries, plus industry reports and studies on mark-up values. In 2018, Idaho wine industry revenues totaled an estimated \$46.0 million, based on \$31.4 million in winery revenues and \$14.6 million in various multi-tiered mark-up revenues, including among wholesalers, retail outlets, and restaurants. Precept is the largest single source of wine revenues in Idaho, but more than two thirds of winery revenues are generated by small and medium-sized operations across the state.

EMPLOYMENT AND INCOME

As more wineries have opened in Idaho, the workforce at wineries and estate wineries has similarly increased. Winery employment estimates draw on multiple sources, including U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages (QCEW) for winery payroll employment and U.S. Bureau of Economic Analysis (BEA) data to capture business owners and self-employed workers.

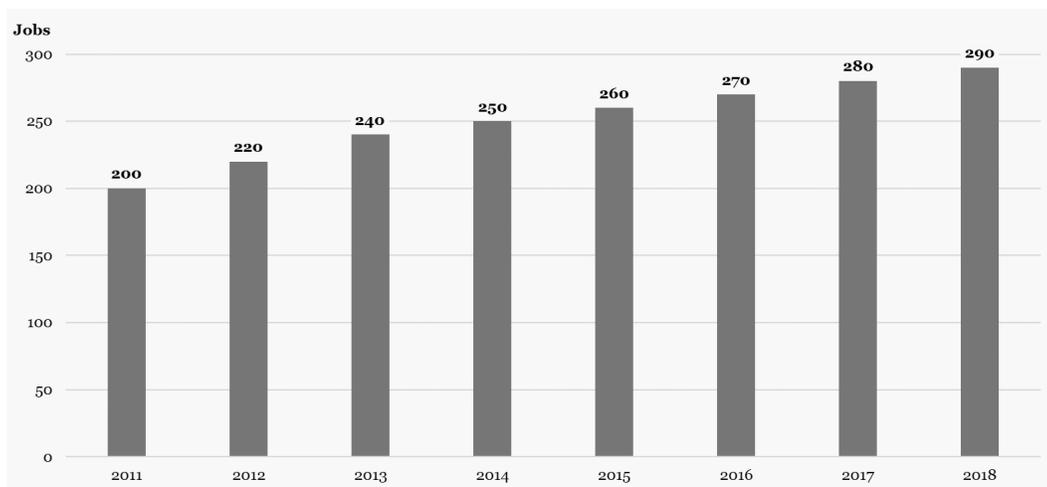
In 2018, Idaho wineries directly supported an estimated 280 workers, including employees and owners, based on an annualized basis, including winemakers and other production staff,

²⁵ Tax Commission data.

retail positions, and administration. In 2011, an estimated 200 workers were directly employed in wineries (**Exhibit 6**). It is important to emphasize that these estimates represent annual estimates; there is large degree of seasonality in wine industry employment, with large increases during the harvest period. Some wineries, estate wineries, and vineyards hire a significant number of seasonal workers every year, usually during harvest or bottling. Others prefer to keep year-round staff and have operations small enough that they do not require extra labor.²⁶ Wine income, including benefits, associated with winery employment summed to more than \$6.8 million.

Sales of Idaho wine throughout the multi-tiered distribution and sales system further support employment and income. Mark-ups supported more than 200 jobs statewide in 2018. These estimates include workers at wholesaling operations, restaurants, bars, and retail outlets.

**Exhibit 6. Estimated Winery & Estate Winery Jobs,
2011-2018**



Sources: U.S. Bureau of Labor Statistics; Idaho Grape Growers & Wine Producers Commission, 2019; Community Attributes Inc., 2019.

Growth Horizon and Strengths, Challenges, and Opportunities

The Idaho industry can grow either by existing wineries scaling up, new wineries open, and/or more grapevines are planted. Precept has been an important anchor of the wine industry in Idaho for many years, but recent growth is increasingly attributable to the emergence of new wineries and production among existing small and medium-sized operations. Based on available data, fewer than 10 wineries appear to be positioned for

²⁶ Stakeholder interviews.

market expansion enough to have an impact on market share, but this is predicated on whether these wineries in fact plan on growing.

Most wineries surveyed expected to grow slightly in the next five years, rather than grow significantly or stay the same size. Some of the reasons cited by wineries for this growth included more wine grape acreage coming into production, the opening of a tasting room, starting a website and other online marketing, a change of ownership, securing a larger grape contract, increasing distribution, and a larger production space with room for more operations. This section reviews findings through interviews, survey responses, and supplemental research on the Idaho wine industry on the strengths, challenges, and opportunities of the industry now and in the near future.

Strengths

Idaho wines are price competitive and a great value. Idaho produces premium wines at a price point often below those available from Washington state, California, and Oregon. This is in part due to the lower price of wine grapes produced in Idaho, even for grapes of high quality. According to the interviewees for this study, a ton of red wine grapes on average produced in Idaho sells for \$1,600, and \$1,400 for white wine grapes. This compares with \$2,400 and \$2,200 in Washington, respectively.

Idaho wineries are also often highly accessible to the growing Boise area population and offer friendly, family-owned facilities surrounded by natural beauty, and thus a draw for outside visitors.

Many newer wineries bring with them out-of-state expertise, such as winemaker experience working in Washington and California. Some of these winemakers received formal training in viticulture and enology from programs outside the state, such as at UC-Davis and Washington State University.

Challenges

The Idaho wine industry's challenges stem from those common in wine production and the relatively small size of the industry. Wineries in Idaho seek to build and strengthen Idaho's reputation and brand as a source of high quality, premium wine, while also face limitations in in-state grape production and availability of key infrastructure and economic development assets. In addition to these challenges, an important factor influencing the growth trajectory of the industry are the goals and objectives of winemakers, many of whom prefer to focus on making small-batch, high-quality premium wine, and do not have a strong desire for large-scale production.

REPUTATION AND BRAND AWARENESS

According to interviewees, reputation and brand awareness remain two of the largest constraints on growth. Idaho has long been associated with less expensive wine. Idaho has yet to develop the further reaching reputation for high quality wines as has been established by

Washington, Oregon, and California wineries, which creates downward pressure on prices. It remains a challenge for high quality winemakers to convey to consumers the value of Idaho wine as compared with Washington, Oregon, and California labels.

The Idaho brand with respect to food and beverages is internationally associated with potatoes, posing a challenge for wineries seeking to build the Idaho brand for fine wine. Particularly in states with robust indigenous wine industries, consumers tend to prefer local wines over outside labels. In addition to other key factors, such as scalability to serve outside markets and accessing a wholesaler & distributor network, wineries need to surmount reputational barriers among the broader wine consuming population outside the state.

GRAPE SUPPLY AND VINEYARD LAND

A second challenge is grape supply. Limited land for grape production has been cited by winemakers as a considerable constraint on overall growth and the Idaho brand. This land constraint results in a limit on the availability of overall grapes available for small and medium-sized producers and the availability of specific grape varieties that are often not grown in Idaho. The Columbia Valley in Washington state is often cited as a significant out-of-state source for wine grapes. However, research commissioned by the Idaho Grape Growers & Wine Producers Commission in 2011 showed more than 35,000 hectares of land suitable for wine grape production in the Snake River Valley.

Grape sourcing also varies by winery. With respect to Washington, some wineries sourced as much as 80% of grapes in a typical year from Washington, while others use only Idaho grapes. One winery indicated they try to source from Idaho but finding adequate supply in-state is difficult; one year they purchased 70% of their grapes from Washington. Another major issue is lack of certainty surrounding grape purchases. Wineries typically seek contracts to lock in their supply of grapes, but these can be difficult for smaller operations.

None of the wineries surveyed and interviewed identified California as a source of wine grapes. According to interviews and survey responses, the most common reasons for sourcing grapes outside the state included access to supply, longstanding business relationships, the winemaker's preference, and AVA labeling considerations.

Growth may also be hindered by limited availability of yet-to-be-developed land for higher quality grape-producing land. Interviewees indicated that even within the vast Snake River Valley AVA, the majority of productive and higher quality grape-producing land is in the western half and limited in quantity.

INDUSTRY ASSETS, WINE-SPECIFIC INFRASTRUCTURE, AND CLUSTER SUPPORT

Wine industry clusters depend on various supporting organizations, financing, infrastructure, institutions, service providers, and training programs to further grow and collaborate. In the case of Idaho, due in part to the relatively small size of the industry, many of these assets are not yet available or at scale.

According to some interviewees, there is insufficient bottling and storage capabilities in-state, prompting some winemakers to utilize out-of-state facilities or contract with another winery with these assets. Wineries also indicated a lack of local banks specializing in wine finance. There are a number of agriculture banks, but most wine grapes thrive on a different cycle compared with most other crops.

Idaho currently does not have educational and training programs for wine making, such as those found at Washington State University, Walla Walla Community College, and the University of California, Davis.

However, as the industry grows, supporting services identified as missing may incrementally develop and support continued growth of wine expansion and start-ups.

Opportunities

Opportunities for growth are tied to 1) overall consumer demand for wine; 2) in-state market share for wine for Idaho wineries; and 3) to a lesser extent, out-of-state sales.

OVERALL MARKET DEMAND

Idaho is growing in population, and this growth supports wine consumption. Between 2010 and 2017, the Boise area's population increased by 15%. Of this, the majority are from California, many of more affluent backgrounds and seasoned wine consumers. Between July 2017 and 2018, there were 15,746 net new residents from California moving into Idaho, accounting for nearly 60% of total migrants that year. Migrants into the Treasure Valley were most likely to be from the Los Angeles metro area. The Bay Area ranked fifth, after Portland, Seattle, and Riverside. Ada, Kootenai, and Canyon counties had the highest influx of Californians.²⁷ As Idaho—and specifically, the Boise region—continues to grow, an increasing number of new wine consumers will enter the market seeking premium wine at competitive prices, presenting a significant opportunity for Idaho winemakers.

BRANDING AND TOURISM

While reputational awareness is an important barrier to growth, there is a significant opportunity to improve on this through marketing at a regional level. The individual AVAs in Idaho have stronger brand potential than the state name. The AVAs also present an opportunity to share name recognition for Oregon and Washington landmarks. Idaho's tourism industry continues to grow as outsiders seek experiences in the state's vast wilderness and outdoor recreation. Hotels and restaurants can serve as amplifiers of the wine industry, including Idaho wine on their wine lists and raising awareness of Idaho wine among tourists, many of whom seek to sample local food and beverage products.

²⁷ Idaho Department of Labor via KTVB <https://www.ktvb.com/article/news/local/yes-many-californians-are-moving-to-idaho-here-are-the-other-states-new-residents-are-coming-from/277-f65f25f1-6752-427a-b107-a27e5ca09417>

MARKET SHARE

In 2018, based on latest data available from the Idaho Tax Commission, Idaho wineries represent approximately 10.5% of all wine sold in Idaho by volume. This implies that many Idaho wine consumers are still purchasing outside brands, such as from Washington, California, and imports. However, consumers typically give preference to local premium wines of comparable value. The more Idaho wine gains reputation and awareness in-state, the greater the expected share of total wines will be for Idaho labels.

OUT-OF-STATE SALES

Growth opportunities exist in western states that do not have strong existing wine industries, such as Utah and Wyoming. Sales in states with robust domestic wine industries, such as California and Washington state, will remain significant challenges, though.

Economic and Fiscal Impacts of Wine Production

Economic and fiscal impacts of the wine industry in Idaho include additional jobs, income, and business revenues supported through upstream business-to-business transactions (indirect) and worker income-derived household consumption on various goods and services (induced). For example, while vineyard operations are essential to the wine industry, these jobs are generally classified as indirect since wine grapes are an input into wine production; the value of wine grapes purchased from other vineyard operations is thus already captured in the value of wine sold. Mark-up-supported activities are, however, treated as direct, as these revenues and associated jobs and income are supported by revenues generated from the mark-up itself, and not captured in the value of the underlying wine product.

Based on this framework, the total economic impact of the Idaho wine industry in 2017 summed to 630 jobs, \$19.1 million in labor income, and \$65.3 million in business revenues (**Exhibit 7**). These economic activities in turn supported fiscal revenues to the state, such as additional tax revenues generated through supply chain transactions and household spending on goods and services. In 2017, the estimated fiscal impact of the Idaho wine industry summed to \$3.0 million, of which the majority (\$2.3 million) were in the form of taxes on production and imports.

In calendar year 2017, the State of Idaho invested \$285,100 in the wine industry through excise tax collections. Based on a total economic impact of \$74.1 million, every dollar of excise tax-based investment was associated with \$260 in business revenues across the state.

Exhibit 7. Economic Impacts of Wine Production and Sales, 2017 (mils \$)

Impact Type	Employment	Labor Income (mils \$)	Output (mils \$)
Direct Effect	520	\$11.7	\$46.0
Indirect Effect	100	\$5.0	\$15.6
Induced Effect	100	\$3.9	\$12.5
Total Effect	720	\$20.7	\$74.1

Sources: IMPLAN, 2019; Community Attributes Inc., 2019.

Wine Tourism

Wine tourism in Idaho is an increasingly important aspect of the industry. While the number of individuals visiting Idaho specifically for wine tourism is still quite low, wineries often benefit from the large influx of tourists whose purpose, while not related to wine, often include a wine-related activity as part of their itinerary. Idaho is also gaining recognition as a wine destination for its value, accessible wineries and vineyards, and natural beauty. Wineries facilitate wine tourism through investments in on-site and satellite tasting rooms and scenic locations either along popular pedestrian bicycle routes or in the countryside.

Often times, wine tourists discover Idaho wine unexpectedly during their stay, such as at a restaurant or hotel that serves local wine. The close proximity of many wineries to Boise, including satellite tasting rooms downtown, make it easy for tourists to make unplanned forays into the local wine industry.

The main Idaho wine area is in the Southwest of the state, near Boise. These wineries and vineyards are in and around the Snake River Valley and Eagle Foothills AVAs. The Sunnyslope wine trail includes a number of wine tasting rooms that can be easily accessed from Boise via bus tour or private vehicle. Boise has a unique and interesting urban wine scene with some of the highest quality wineries in the state are located within the metropolitan area. In northern Idaho, there is another, less densely populated wine region stretching from Coeur d'Alene south to Lewiston, in the Lewis-Clark AVA. Because it is a 7-hour drive from Coeur d'Alene to Boise, it is unlikely that tourists would visit both regions. However, Coeur d'Alene is less than an hour away from Spokane, the largest city in the area, and is a popular vacation destination.

Wine tourism supports regional economic growth primarily through spending by wine tourists on various goods and services as part of a winery tour experience. These include hotel stays, restaurants, local travel expenses, such as ride share, taxis, and gas, and souvenirs, all in addition to winery on-site purchases already captured as part of winery revenues.

According to interviewees, in recent years there's been a large influx of households from California, choosing the Boise region as an alternative residence over more cost-prohibitive

housing and living expenses in the Bay Area and elsewhere. Many of these “transplants” are more affluent than the average Idaho household, have already developed a preference for wine from time spent in California, and become frequent visitors to wineries in the region.

Measuring the Impact of Wine Tourism

In 2017, an estimated 744,00 people from outside Idaho visited wineries in Idaho, either as part of wine-specific vacation or as part of a larger itinerary that included many other sites and activities in Idaho. This volume of visitors is equivalent to 3% of all visitors to Idaho in 2017. Estimates are based on existing reports on tourism in Idaho, including by Longwoods International and Dean Runyan Associates.

These visitors spent an estimated \$108.9 million on various non-wine goods and services, or an average of approximately \$347 per visitor. Expenditures include hotel rooms, restaurants, travel expenses, and many other purchases tied to their overall, much broader tourism itinerary.

The economic impacts of this spending totaled 1,600 jobs, of which 1,100 were direct, \$42.7 million in labor income, and \$135.5 million in business revenues across the state economy (**Exhibit 8**).

Exhibit 8. Estimated Spending by Idaho Wine Tourists (mils \$)

Impact Type	Employment	Labor Income (mils \$)	Output (mils \$)
Direct Effect	1,100	\$25.3	\$78.8
Indirect Effect	300	\$9.3	\$31.0
Induced Effect	200	\$8.0	\$25.7
Total Effect	1,600	\$42.7	\$135.5

Sources: IMPLAN, 2019; Community Attributes Inc., 2019.

Summary and Conclusions

The wine industry in Idaho is growing in size, quality, and recognition, though it remains small compared to the other Western U.S. wine growing regions in California, Oregon, and Washington. In recent years, Idaho harvests an average 3,000 tons of grapes and produces nearly 200,000 cases of wine per year, reaching 225,700 in 2017. Idaho wineries are steadily gaining a reputation as a producer of award-winning wines and as a destination for wine tourism.

The economic impacts of wine production include both the ecosystem of wine production and sales and allied wine tourism activities. In 2017, wineries directly supported an estimated 280 annualized jobs, \$31.4 million in sales, and \$6.8 million in wage and salary outlays, including benefits. An additional \$14.6 million in sales were generated from mark-ups through downstream distribution and sales channels among wholesalers, retailers, and restaurants and bars. Factoring in indirect and induced impacts, the wine industry supported a total of \$74.1 million in business revenues in 2017.

Wine tourism in this study was defined as wine-related spending by Idaho visitors, irrespective of whether the visitor came to Idaho primarily for wine or as part of a larger itinerary of recreational and business activities. These visitors spent an estimated \$78.8 million in various goods and services in the Idaho economy, such as on hotel rooms, food, entertainment, and travel expenses, supporting a total economic impact of \$135.5 million. The total impact of the wine industry, including both industry operations, downstream distribution and sales, and associated tourism activities, summed to \$209.6 million in business revenues in 2017 (**Exhibit 9**).

Exhibit 9. Summary of Impacts

	Business Revenues (mils \$)	Jobs	Labor Income (mils \$)
A. Wine Production and Sales Channels			
Direct Impacts			
Wineries	\$31.4	280	\$6.8
Multi-tier Mark-ups	\$14.6	240	\$4.9
Total Direct	\$46.0	520	\$11.7
Indirect Impacts			
Induced Impacts	\$15.6	100	\$5.0
	\$12.5	100	\$3.9
Total Economic Impacts	\$74.1	720	\$20.7
B. Allied Wine Tourism			
Direct			
Direct	\$78.8	1,100	\$25.3
Indirect Impacts			
Indirect Impacts	\$31.0	300	\$9.3
Induced Impacts			
Induced Impacts	\$25.7	200	\$8.0
Total Economic Impacts	\$135.5	1,600	\$42.7
C. Total Impacts, Wine Production and Sales Channels and Allied Tourism (A+ B + C)			
Total Economic Impacts	\$209.6	2,320	\$63.3

Source: IMPLAN, 2019; Community Attributes Inc., 2019.

Appendix

Concepts and Definitions

The following concepts and definitions were used in the developed of this study:

Annualized Employment. All employment estimates in this study are annual averages. The actual number of people employed by the wine industry at any point throughout the year is presumed to higher due to the seasonal nature of some aspects of the industry.

- **Labor Income.** Wage and salary income plus, in some instances, additional benefits such as the monetary value of health insurance.
- **Direct Activities.** Jobs, business revenues, and labor income supported by businesses either engaged in wine production or mark-ups generated through downstream distribution of wine. To avoid double-counting of impacts, direct activities do not include upstream suppliers such as grape producers and equipment providers.
- **Indirect Activities.** Upstream business transactions that support wine production, including inputs such as grape producers, equipment providers, and other supporting supply chain sales. Measured in business revenues, jobs, and labor income.
- **Induced Activities.** Additional jobs, labor income, and business revenues supported by the spending of income earned through direct and indirect employment on various goods and services in the economy. Can be described as household consumption supported through direct and indirect employment.

Data Sources

To the greatest extent possible, this study leveraged state and federal data sources to allow for greater transparency of methods and robustness of estimates of the industry. **Exhibit A1** below summarizes key data sources employed for this analysis.

Exhibit A1. Summary of Key Data Sources

Source	Data Series	Use
U.S. Bureau of Labor Statistics	Quarterly Census of Employment and Wages	Covered workers and wages in wineries, vineyards, and related industries, excluding benefits.
U.S. Census Bureau	Non-employer statistics	Winery sole proprietor estimates.
U.S. Alcohol and Tobacco Tax Trade Bureau	State-by-state wine industry statistical reports, by Year	Wine production by state, by volume.
U.S. Bureau of Economic Analysis, Regional Economic Accounts	Idaho GDP, personal income, employment, gross output, and compensation by industry.	Estimated employment labor income benefits and sole proprietor estimates.
U.S. Census Bureau, Annual Survey of Manufacturers (ASM)	National employment, payroll, and benefits, by industry	Estimating benefits.
Idaho Department of Labor	State population and origins of new residents	Impact of new residents on the wine industry.
Idaho Grape Growers & Wine Producers Commission	Idaho wine assessment data	Number of wineries over time.
Idaho State Tax Commission	Wine volume sold in Idaho and tax collected	Market share estimates and wine distribution.
Dean Runyan Associates	Tourism Visitors and Spending	Estimating tourist spending.
Longwoods International		Tourist visitor origins, percentage overnight person-trips by activity, demographics.
Idaho Commerce Tourism Development	Lodging tax collected by county	Evaluating tourism impacts.

Caldwell Sunnyslope Wine Trail Market Study	Survey data on Sunnyslope tourism activities	Estimating tourism impacts.
Visit Idaho	Arrivalist Data	Winery region points of interest.
Impact Analysis for Planning (IMPLAN)	Idaho Statewide Economic Impact Model	Estimating indirect and induced impacts.

Primary Research

After exhausted all available publicly available data sources, we conducted primary research to address data and information gaps. These included ne-one-one interviews with wine industry stakeholders, both in-person in Idaho and over the phone, and a survey to wineries to solicit this information and data.

To gain further details on winery activities, an electronic survey instrument was developed and deployed to remaining wineries in Idaho, in collaboration with the Idaho Grape Growers & Wine Producers Commission. A total of 15 additional responses were solicited through the survey, which asked questions related to wine production, sales, employment, supply chain purchases, wine tourism, and industry needs and challenges.

Thirty-one companies, organizations, and government agencies were interviewed or surveyed for this study, in some cases with multiple representatives, listed in **Exhibit A2** below.

Exhibit A2. Stakeholder Interviews

Company/Organization/Agency	Type of Outreach
Hayden Beverage	Interview
Idaho Liquor Dispensary	Interview
Idaho Tax Commission	Interview
U.S. Department of Treasury Alcohol and Tobacco Tax Trade Bureau	Interview
Destination Caldwell	Interview
Idaho Tourism	Interview
SWITA	Interview
Cinder Wines	Interview
Coiled Wines	Interview
Emerald Slope Vineyard	Interview
Hat Ranch	Interview
Meriwether Cider Co.	Interview
Precept	Interview
Scoria Vineyards	Interview
Split Rail Winery	Interview
Telaya Wine Co.	Interview
Angela Shaltry Consulting	Survey
Bitner Vineyards	Survey
Clearwater Canyon Cellars	Survey
Colter's Creek	Survey
Indian Creek Winery	Survey
J Victor Vineyards	Survey
Koenig Vineyards	Survey
Lindsay Creek Vineyards	Survey
Meadowlark Hills Vineyard	Survey

Par Terre Winery	Survey
Pend d'Oreille Winery	Survey
Potter Wines	Survey
Rivaura Estate Vineyards and Winery	Survey
Snake River Wine Tours	Survey
Vizcaya Winery	Survey
