

# Enjoy *Michigan Wines*

## Economics of the Michigan Grape & Wine Industry



# Michigan Wine MONTH



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# History



- 1863: First grapevines planted in Monroe – Pointe Aux Peaux is first commercial winery
- 1868: Grapevines planted in Van Buren County
- 1884: 24,685 gallons produced in Michigan; half in Monroe County
- 1918-1933: Prohibition

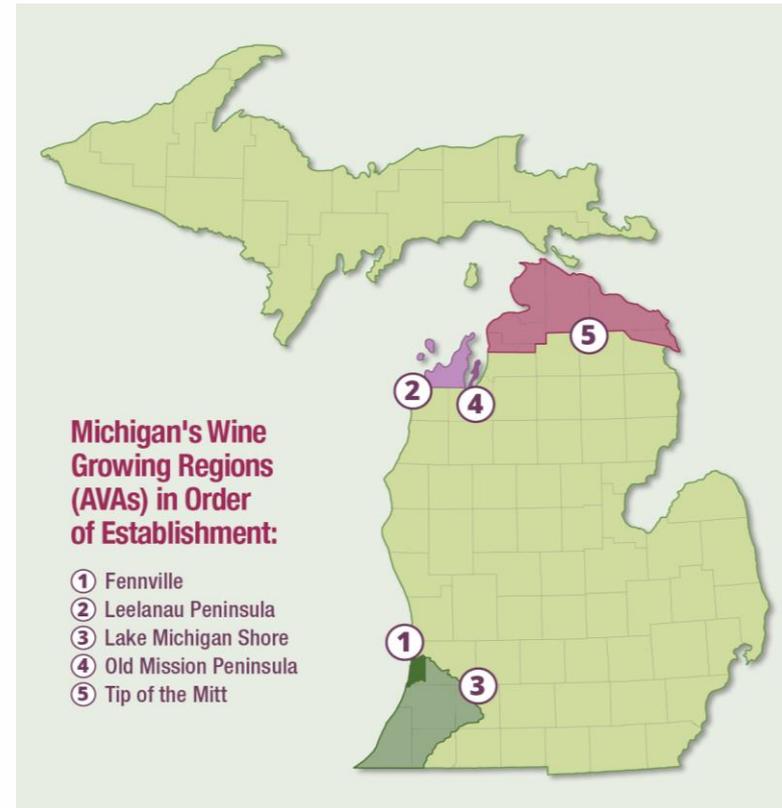


- 1934: Border City Wine Cellars relocates to Detroit from Canada; now St. Julian Winery in Paw Paw
- 1940s-1950s: Sweet wine rules
- 1960s: French-American hybrid wine grapes planted on Leelanau Peninsula
- 1969: Chardonnay and Riesling planted at Tabor Hill in Southwest Michigan

**St. Julian**<sup>®</sup>  
WINERY



- 1981-1987: Four AVAs established
  - Fennville
  - Leelanau Peninsula
  - Lake Michigan Shore
  - Old Mission Peninsula
- 2016: Tip of the Mitt AVA established



- **1985: Michigan Grape and Wine Industry Council established**

12-member Council established by the Legislature to provide research, education and promotion for Michigan wine grapes and wines

- Wineries (3)
- Wine Grape Grower
- Restaurant/Retailer
- Wine Distributor
- Public members (2)
- Michigan State University
- Michigan Liquor Control Commission
- Michigan Economic Development Corp.
- Michigan Department of Agriculture and Rural Development



- 2011: Michigan Wine Producers Association established



Purpose is to protect and enhance Michigan's wine industry by protecting their right to produce, market and provide consumers with Michigan produced wine

- 2015: Michigan Wine Collaborative established



Non-profit organization with the mission to enhance the sustainability and profitability of the Michigan wine industry through research, education and marketing

# Industry Growth



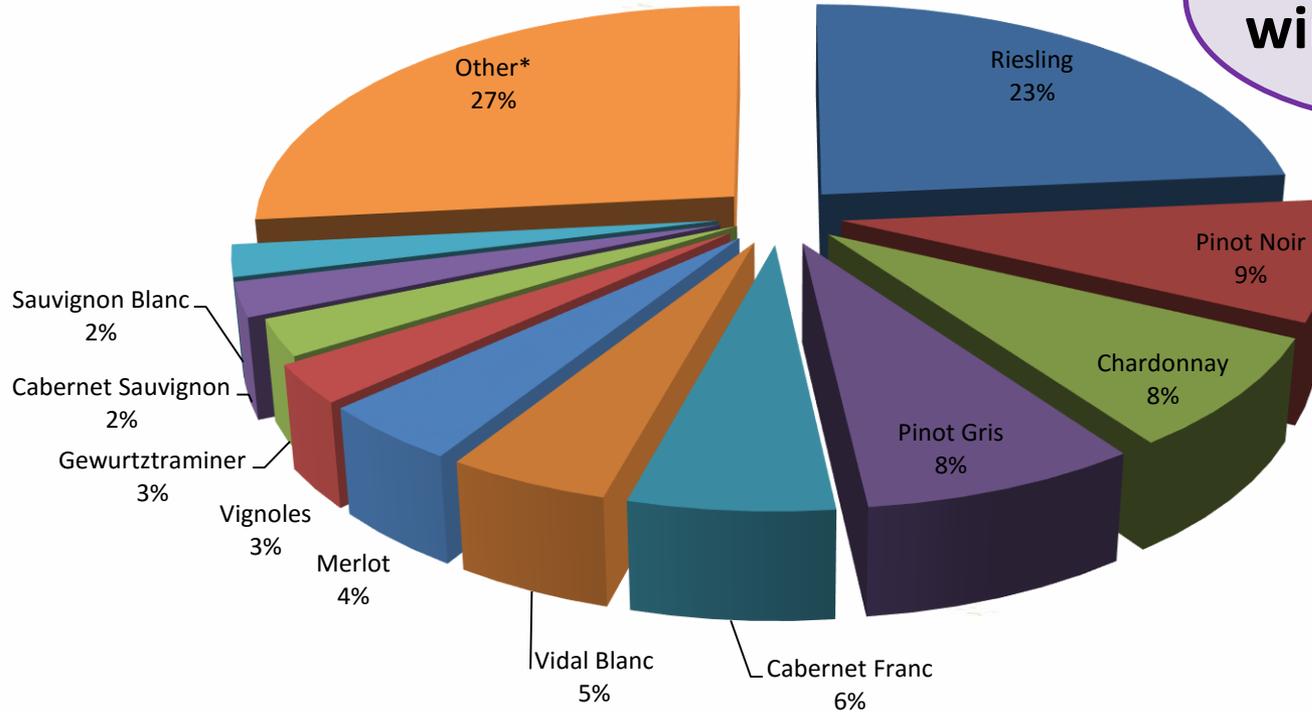
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- Wine grape acreage in Michigan has almost doubled in the past 10 years
- 70% of Michigan's wine grape acreage is devoted to vinifera varieties
- 5<sup>th</sup> largest wine grape-producing state



# Michigan Wine Grape Acres (2014)

2,850 acres of wine grapes



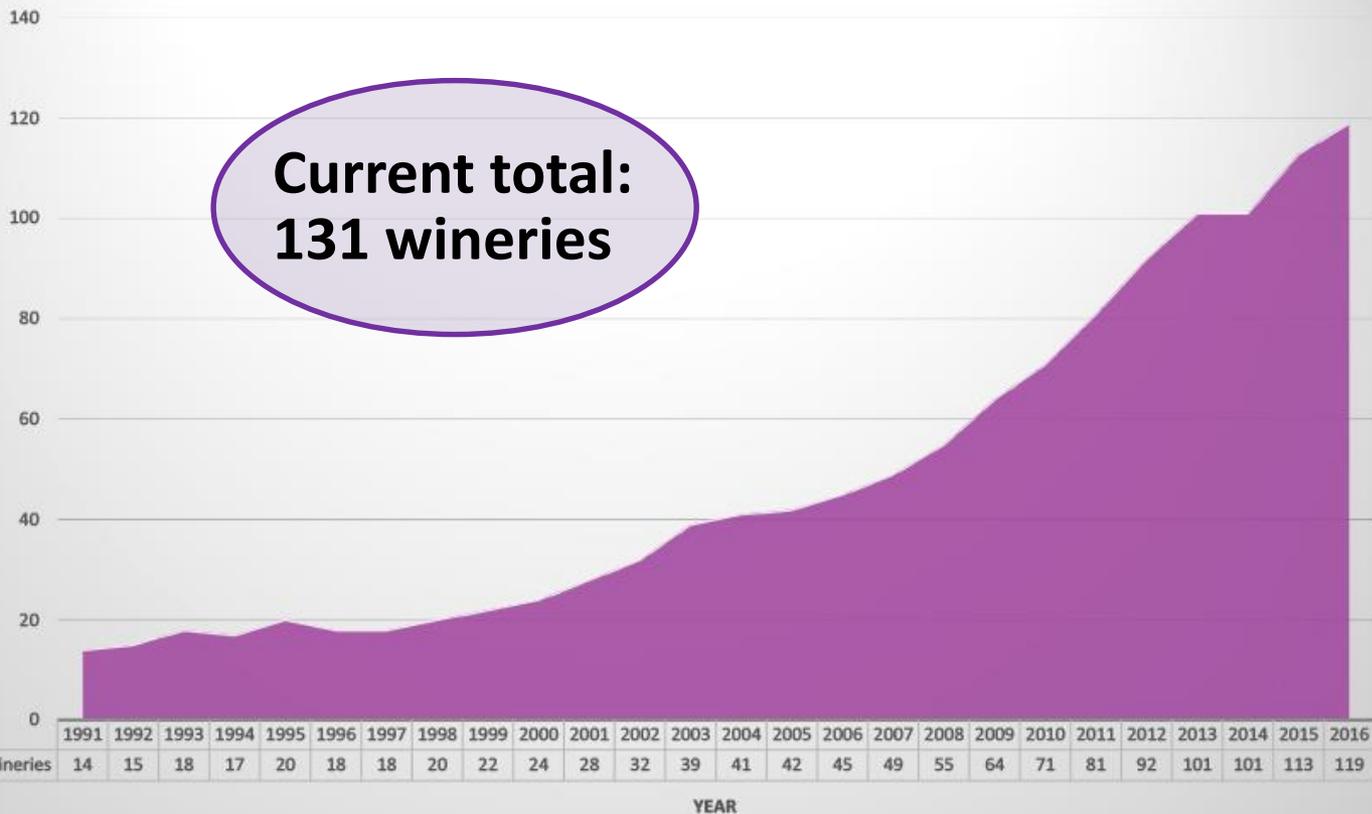
\*More than 30 varieties.

Source: USDA National Agricultural Statistics Service



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## Michigan Wineries 1991-2016



- Wine trails
  - Leelanau Peninsula
  - Old Mission Peninsula
  - Lake Michigan Shore
  - Bay View Wine Trail
  - Southeast Michigan Pioneer Wine Trail



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- 2.4 million gallons of wine annually;  
10<sup>th</sup> in the U.S.
- Majority of production is from  
Michigan-grown grapes
- Wine exports over past 3 years
  - China, Japan, Norway, Singapore, Germany,  
Canada, Estonia, Thailand, Denmark, U.K.
- 6 to 8 new wineries expected to open in  
the next 3 years

# Economic Impact



- Total impact = \$300 million/yr\*
- 2 million tourists
- Wine-related tourism expenditures = \$8.6 million/yr\*
- Taxes paid (fed, state, local) = \$84 million/yr\*
- More than 5,000 jobs\*

*\*Source: MKF Research LLC 2005*



# Challenges

- Weather: extreme cold, hail, frost
- Workforce: farm labor, seasonal workers, skilled winery/vineyard team
- Highly regulated industry
- Supply of wine grapes
- Skeptical consumers and trade



# Opportunities

- Research to support wine grape growers; MSU Extension
- Annual Conference
- Mi-CAST, VESTA, Lake Michigan College
- MLCC/DEQ/MDARD
- International Marketing Program
- Expand awareness as a 'best of class' region for quality wines and wine tourism



# Praise for Michigan Wines!



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- Top awards – especially for red wines – in many international competitions



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# Some amazing reds!

- **International Pinot Noir Celebration:**  
Wyncroft was one of only 20 wineries from around the world invited to participate
- **International Eastern Wine Competition:**  
Lemon Creek Winery received Best of Class and Best Red for 2013 Meritage

# And more amazing reds!

- Los Angeles Int'l Wine & Spirits Competition:  
Tabor Hill Winery received Best of Class for  
Michael Merchant Signature Red Blend
- Dan Berger's International Wine Competition:  
Chateau Grand Traverse – Best of Class and  
Chairman's Award for 2012 Gamay Noir

HOME | WINE REGIONS

# Best Michigan Wineries to Visit

Michigan has burst onto the American wine scene over the course of the past several decades. From a handful of producers in the 1970s, Michigan now hosts over 100 wineries drawing from 2,700 acres of vineyards, making it the fifth largest wine producing state in the U.S. Though the vineyards exist throughout the state, the vast majority are clustered along the contours of Lake Michigan, where the “lake effect” moderates the climate, extending the growing season and protecting the vines from severe cold in the winter. With additional vintages under their belts, Michigan’s producers are becoming increasingly adept at growing European style vinifera grapes, and now they’re replacing the old hybrids—like Seyval Blanc and Chambourcin, for example—with new stars like Riesling, Gewurztraminer and Cabernet Franc.

Here, some of the most exciting places to experience the Michigan wine renaissance. —*Richard Nalley*





## Wine Regions on the Rise

*Grapes are being grown and wines are being made in more and more places around the globe. Here's a look at some of the world's up-and-coming vinous neighborhoods.*

BY THE EDITORS OF WINE ENTHUSIAST

### Michigan

**“The Mitten” is becoming known for more than its ice wines.**

Michigan's wine industry dates to the 1930s and the repeal of Prohibition. Large plantings of Concord grapes set the state up for a future of grape growing, and today, its four American Viticultural Areas (AVAs)—Fennville, Lake Michigan Shore, Leelanau Peninsula and Old Mission Peninsula—house 121 wineries.

Approximately 51 percent of Michigan's wine grapes grow in the Leelanau Peninsula and Old Mission Peninsula AVAs, which sit at 45° latitude, the same as heavy hitters Bordeaux, Burgundy and Alsace. Michigan's commercial wineries bottle more than 2.3 million gallons annually, ranking it 10th in U.S. wine production.

Most of the state's quality wine grapes grow within 25 miles of Lake Michigan. Its lake effect protects the vines with snow in winter, slows bud break in spring to avoid frost





# 10 up-and-coming wine regions

By Krisanne Fordham, for CNN

Updated 4:30 AM ET, Tue August 25, 2015



COURTESY OF VINEYARD MICHIGAN

10 photos: Wine regions to watch

**Michigan** – Michigan wine country is largely undeveloped, comprising just 100 or so small- to medium-sized wineries and just more than 3,000 acres of wine-producing vineyards. Yet the new wines coming out of the region are terrific.

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# Questions?

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