

*New York
Winery Survey*



2008

NEW YORK WINERY SURVEY 2008

Compiled and Issued by:

**NATIONAL AGRICULTURAL STATISTICS SERVICE
UNITED STATES DEPARTMENT OF AGRICULTURE
10B Airline Drive
Albany, New York 12235**

**Stephen C. Ropel, Director
Blair L. Smith, Deputy Director
Marisa N. Reuber, Statistician & Survey Coordinator**

Special thanks to:

**Alicia K. Ferri, IT Specialist
Rose M. Becker, Statistical Assistant
Kelly L. Michel, Statistical Assistant
Vicki L. Crogan, Computer Assistant**

Cooperating With:

NEW YORK WINE AND GRAPE FOUNDATION

October 2009

Telephone (518) 457-5570

E-Mail: nass-ny@nass.usda.gov

Home Page: www.nass.usda.gov/ny

TABLE OF CONTENTS

	<u>Page</u>
Survey Description	1
Winery History	3
Types of Wineries	4
Internet Usage	5
Vineyard and Other Fruit Acres.....	5
Winery Capacity and Production.....	6
Types of Wines Produced	9
Visitation.....	11
Sales and Distribution.....	14
Employment.....	17
Investment.....	19
Taxes	20
Copy of Survey Used.....	21



Survey Description

Objectives

The 2008 Survey of New York Wineries updates data from the last survey done in 2004. This survey was sponsored by the New York Wine and Grape Foundation. It was done with the purpose of gathering information to assess changes in the industry, to determine what direction the New York wine industry is moving,

and to provide indicators of contribution by New York wineries to the agricultural economy. Information collected measures capacity, volume, value and distribution of wine produced. It also tries to measure tourism, taxes, investment, and expenses of the wine industry.

Survey Design and Procedures

With the help of the New York Wine and Grape Foundation, a survey population of all licensed locations producing and selling wine during 2008 was built. Although all places selling wine must be licensed, only those places that were also producing wine were included in the scope of this survey. In addition, some wineries hire out their wine making activities to other facilities. When custom wine makers were used, wine production data were obtained from the custom winery while sales, distribution, tourism, etc. data were gathered from the parent winery. This parent winery was also included in the count of all wineries.

A survey questionnaire was developed with the help of the New York Wine and Grape Foundation and other industry experts. One primary purpose of the survey was to measure the amount of change from the previous set of data. This required us to maintain some degree of similarity with earlier instruments used for comparability. Previous survey data were reviewed to assess the strength of response and degree of reliability of answers to every item in the survey instrument. If item results were poorly answered or confusing, new wording was tried or a simpler question was asked. Some complexity and details in earlier versions was eliminated in hopes of making this version more appealing and easier to complete.

After eliminating duplicate names, wineries with multiple locations, out-of-business operations, and

places only used for sales and tasting wines, it was determined there were 240 wine producing facilities in New York. A survey was mailed in March 2009 to all 240 wine operations.

A survey reminder postcard was mailed a few weeks later. After exhausting that method of data collection, an email version of the questionnaire was created and emailed to all non-responding wineries for which we had an email address. When response rates for this collection method declined, telephone follow-up calls were made to delinquent wineries. A few wineries were personally visited to request their data, also. Along with these efforts, all Wine Trail executives and staff of the New York Wine and Grape Foundation made canvassing calls and emails to their members appealing for a completed survey. Over the complete period of data collection, usable data from 169 wineries were summarized. Because of the nature of the questions and sensitivity of several items asked, few wineries provided fully complete usable reports. Also, some of the data requested, particularly tourism, is not recorded by many wineries. Many wineries also preferred not to report sales and distribution information, taxes, investment, and expenses for their own privacy of information. When possible, and if reliable information from other published sources was available, it was used to fill in for selected key items in this report to compensate for missing data from operations which refused to report or neglected to answer some questions.

This report provides industry level estimates of many items when sufficient data were received to allow for estimating for non-respondent wineries and incomplete reports. Other tables in this report present survey averages from responding wineries. We attempted to clarify these differences in table headings and written narratives.

National Agricultural Statistics Service disclosure laws prevent publication of data when insufficient reports are received and when large operations dominate an industry in such a way that publication of information might identify size and scope of an individual operation. When this happens, data are usually combined with other

good reports to disguise individual data. As a result, some specific wine trail data or size information may not be available in detail. When possible, written permission is obtained from large operations to permit publishing data which might have otherwise been combined or not published to avoid individual operation disclosure. NASS also will not publish data in detailed breakouts if insufficient responses are received to generate reliable estimates. This is the situation with responses from the Long Island Wine Council. Data for that wine trail is not published due to a lack of sufficient responses. Data from wineries that did report and estimates for the rest are included in the “All Other” category.



Winery History

Winery history in New York dates back to the 1800's with 4 active wineries started back then still in existence. The industry didn't grow much after that with only 7 more wineries starting up through 1969. Today's industry then developed roots with 13 start-ups in the 70's jumping to 40 new wineries in the 80's. Another 49 were added in the 90's giving New York 113 wineries to go into the new century. Growth exploded after that, however, as 127 new wineries started production between 2000 and 2008. That number was more than double the total number of wineries in all years before then.

The Long Island Wine Council claims the greatest number of wineries with 47 and also had the largest number of wineries being added since 2000 with 26. The Seneca Lake Wine Trail follows with 32 wineries and 11 new since 2000. The greatest numbers of new wineries, however were in widespread locations not associated with an organized wine trail as 57 new wineries started with no trail affiliation placing that category as the largest with 92 wineries.

Table 1: Number of Wineries, by Year Established, by Wine Trail

Wine Trail	Before 1900	1900 to 1969	1970 to 1979	1980 to 1989	1990 to 1999	2000 and Later	Total
Long Island	-	-	2	9	10	26	47
Shawangunk	1	1	1	1	4	3	11
Dutchess	-	-	1	1	-	-	2
Cayuga Lake	-	-	-	8	3	5	16
Seneca Lake	-	-	2	7	12	11	32
Keuka Lake	-	1	1	2	1	2	7
Canandaigua	1	-	1	1	-	2	5
Niagara	-	-	-	-	1	10	11
Chautauqua-Lake Erie	-	1	1	3	1	7	13
Thousand Islands	-	-	-	-	-	4	4
None	2	4	4	8	17	57	92
State Total	4	7	13	40	49	127	240

Types of Wineries

Wineries in New York are basically classified as either a Farm winery or a Commercial winery by the State Liquor Authority. Farm wineries came into existence as a result of the New York State Farm Winery Act of 1976. Until this Act, wineries were required to sell at least 95 percent of their wines through distributors. The Farm Winery Act changed that requirement by permitting wineries which produced less than 150,000 gallons annually to sell their wines directly to consumers. This change encouraged the establishment of small wineries throughout the major grape growing regions of New York. However, it also required wineries to use exclusively New York produced grapes, fruits or other agricultural products.

Although Farm wineries entertain the greatest number of operations and account for 80 percent of all wineries, they only account for 8 percent of total capacity in New York and 5 percent of the total wine produced. The number of Farm wineries actually decreased since the last survey, dropping from 87 percent of the total count in 2003. That change was the result of several previously classified Farm wineries becoming classified as Commercial now. Commercial wineries, although fewer in number, are much more significant in their level of capacity and production. This group accounts for 92 percent of capacity and 95 percent of all production. Their share of capacity dipped slightly between 2000 and 2003 but gained 1 point back by 2008. Production, on the other hand, stayed steady at the 95 percent mark.

Table 2: Wineries, by Type of License			
License Type	2000	2003	2008
	<i>Percent</i>		
Commercial	18	13	20
Farm ^{1/}	82	87	80
State Total	100	100	100
^{1/} Includes Wineries with Other Licenses.			

Table 3: Winery Capacity and Production, by Type of License									
License Type	2000			2003			2008		
	Number	Capacity	Production	Number	Capacity	Production	Number	Capacity	Production
	<i>Percent</i>			<i>Percent</i>			<i>Percent</i>		
Commercial	18	93	96	13	91	95	20	92	95
Farm ^{1/}	82	7	4	87	9	5	80	8	5
State Total	100	100	100	100	100	100	100	100	100
^{1/} Includes Wineries with Other Licenses									

Internet Usage

The growth of internet usage expanded along with the number of wineries over the past survey periods. In 2000, only two-thirds of all wineries reported having a Home Page on Internet. The

percentage rose to 72 percent in 2003 with 26 percent reporting no Home Page and 2 percent unknown. In 2008, only 7 percent of wineries were now without a Home Page.

Home Page Reported	2000	2003	2008
	<i>Percent</i>		
Yes	67	72	93
No	33	26	7
Unknown	-	2	-
State Total	100	100	100

Vineyard and Other Fruit Acres

Many wineries also reported owning or renting vineyard or other fruit acres as part of their operation. Statewide, 67 percent of responding wineries owned or rented a vineyard. Wineries on the Thousand Islands Seaway Wine Trail and Canandaigua Wine Trail all had vineyards.

Statewide, 13 percent of wineries owned or rented other fruit acres for wine production. The Shawangunk Wine Trail had 36 percent of its wineries that owned or rented other fruit acres for wine production.

Wine Trail	Wineries with Vineyards	Wineries with Other Fruit
	<i>Percent</i>	
Shawangunk	82	36
Cayuga Lake	94	19
Seneca Lake	69	0
Keuka Lake	86	14
Canandaigua	100	20
Niagara	82	18
Chautauqua-Lake Erie	77	8
Thousand Islands	100	0
All Other ^{1/}	57	13
State Total	67	13

^{1/} Includes Long Island Wine Council and Dutchess Wine Trail, as well as wineries with no wine trail membership.

Winery Capacity and Production

New York's capacity to produce wine increased by 1.3 million gallons between 2003 and 2008. That 4.4 percent growth put total capacity at 31.6 million gallons compared with 30.3 million gallons in 2003. Commercial wineries accounted for 92 percent of the total with farm wineries accounting for the remaining 8 percent. Commercial wineries also accounted for the entire increase as they grew in capacity by 6 percent while farm wineries decreased capacity by 11 percent. This survey marks the first decrease of

farm winery capacity which had shown a steady increase over the years since the first survey period of 1985. Commercial wineries also showed steady growth from 1985 until 2000 but dipped for the 2003 survey and started to rebound again. One contributing factor to commercial winery growth this year, however, was a change in winery license type from Farm classification to Commercial classification by several wineries.

Table 6: Winery Capacity, by Type of License			
Year	Commercial	Farm ^{1/}	Total
	<i>1,000 Gallons</i>		
1985	27,200	1,000	28,200
1995	31,600	1,800	33,400
1997	31,800	2,100	33,900
2000	32,400	2,300	34,700
2003	27,433	2,837	30,270
2008	29,069	2,535	31,604

^{1/} Includes Wineries with Other Licenses.

Stainless Steel remains the material of choice as it accounts for 68 percent of the wine capacity – about the same as in 2003. Oak accounts for 3 percent of the total and other materials represent the remaining production capacity. Oak barrel usage increased overall by 11 percent with more than a two-thirds jump of oak capacity by commercial wineries while farm winery oak usage declined 22 percent. The Canandaigua Wine Trail claims the largest capacity with 3.87 million gallons and 12 percent of the total. Seneca Lake Wine Trail followed next with 1.74 million gallons capacity for 5.5 percent of the total. Wineries in the Seneca Lake Wine Trail increased their capacity to produce by 64 percent. A major contributing factor to that increase is due to 11

new wineries being added to the Seneca Lake Wine Trail since 2000. The Cayuga Lake Wine Trail claims third place in capacity with 613,000 gallons, up 32 percent over 2003. Wineries in the Shawangunk Wine Trail grew to 481,000 gallons, now at 1.5 percent of all capacity. Keuka Lake Wine Trail wineries only increased 4 percent to 331,000 gallons. The Chautauqua-Lake Erie Wine Trail boosted its capacity 61 percent to 270,000 gallons primarily by adding 7 new wineries. Niagara Wine Trail capacity grew by 5 times to 110,000 gallons with 10 new wineries joining that trail. The newest and smallest wine trail is the Thousand Islands-Seaway Wine Trail with 4 wineries and 35,000 gallons capacity.

Year	Commercial				Farm				All
	Stainless Steel	Oak	Other	Commercial Capacity	Stainless Steel	Oak	Other	Farm Capacity	Capacity
	<i>1,000 Gallons</i>				<i>1,000 Gallons</i>				
1985	25,000	2,200	1/	27,200	920	80	1/	1,000	28,200
1995	30,700	900	1/	31,600	1,500	300	1/	1,800	33,400
1997	30,800	1,000	1/	31,800	1,700	400	1/	2,100	33,900
2000	31,400	1,000	1/	32,400	1,900	400	1/	2,300	34,700
2003	18,180	335	8,918	27,433	2,083	591	163	2,837	30,270
2008	19,625	569	8,875	29,069	1,784	461	290	2,535	31,604

^{1/} Not broken out separately.

Wine Trail	Stainless Steel	Oak	Other	Total Capacity	Total Production
	<i>Gallons</i>				
Shawangunk	400,000	81,000	2/	481,000	338,000
Cayuga Lake	540,000	67,000	6,000	613,000	441,000
Seneca Lake	1,290,000	451,000	2/	1,741,000	1,127,000
Keuka Lake	235,000	96,000	2/	331,000	234,000
Canandaigua	1,936,000	1,932,000	2/	3,868,000	6,783,000
Niagara	43,000	67,000	2/	110,000	78,000
Chautauqua-Lake Erie	144,000	126,000	2/	270,000	152,000
Thousand Islands	32,000	3,000	2/	35,000	35,000
All Other ^{1/}	16,789,000	481,000	6,885,000	24,155,000	26,901,000
State Total	21,409,000	1,030,000	9,165,000	31,604,000	36,089,000

^{1/} Includes Long Island Wine Council and Dutchess Wine Trail, as well as wineries with no wine trail membership.

^{2/} Included in Oak Capacity to prevent disclosure of individual operations.

Wine production in 2008 totaled 36.1 million gallons compared with 38.2 million in 2003. Finger Lakes wineries accounted for 24 percent of New York's wine production with 8.6 million gallons; Wineries on the Canandaigua Wine Trail produced the most wine at 6.8 million gallons, 19 percent of the total.

Wineries along the Niagara Wine Trail increased over 3 fold in the past 5 years moving from 20,000 gallons to 78,000 gallons. Seneca Lake wineries increased production by 44 percent while the Cayuga Lake Wine Trail climbed 27 percent.

Table 9: Capacity and Production by Wine Trail

Wine Trail	1997		2000		2003		2008	
	Capacity	Production	Capacity	Production	Capacity	Production	Capacity	Production
	<i>Gallons</i>							
Long Island	723,000	492,000	844,000	618,000	1,275,000	853,000	1/	1/
Shawangunk	387,000	54,000	438,000	74,000	1/	1/	481,000	338,000
Dutchess	67,000	48,000	68,000	38,000	68,000	54,000	1/	1/
Cayuga Lake	243,000	199,000	346,000	269,000	464,000	346,000	613,000	441,000
Seneca Lake	633,000	401,000	778,000	546,000	1,059,000	785,000	1,741,000	1,127,000
Keuka Lake	282,000	113,000	228,000	163,000	318,000	224,000	331,000	234,000
Canandaigua	-	-	-	-	1/	1/	3,868,000	6,783,000
Niagara	-	-	-	-	22,000	20,000	110,000	78,000
Chautauqua-Lake Erie	-	-	-	-	168,000	123,000	270,000	152,000
Thousand Islands	-	-	-	-	-	-	35,000	35,000
All Other	31,571,000	30,426,000	31,983,000	39,075,000	26,896,000	35,779,000	24,155,000	26,901,000
State Total	33,906,000	31,733,000	34,685,000	40,783,000	30,270,000	38,184,000	31,604,000	36,089,000

1/ Included in All Other

Ninety four percent of all production came from large wineries with a capacity over 100,000 gallons. Wineries with capacity below 25,000 gallons produced 2.5 percent of the total wine output in New York and represented just over

3 percent of the total capacity. Wineries with capacity of 25,000 to 100,000 gallons produced 4 percent of all wine and accounted for 6 percent of all capacity.

Table 10: Capacity and Production, by Size

Size	Capacity		Production	
	2003	2008	2003	2008
	<i>1,000 Gallons</i>		<i>1,000 Gallons</i>	
Under 10,000 gal.	298	457	247	430
10,000 to 24,999 gal.	414	494	334	481
25,000 to 49,999 gal.	821	719	589	507
50,000 to 99,999 gal.	1,049	1,245	635	787
100,000 and over	27,688	28,689	36,379	33,884
State Total	30,270	31,604	38,184	36,089

Types of Wines Produced

At a State level, production of wines by type was led by specialty wines, followed by dessert wines and table wines. Specialty wines totaled 15.3 million gallons, just over 42 percent of all wines. Dessert wines and table wines totaled 9.9 and 9.2 million gallons respectively and accounted for 53

percent of the total. Sparkling wines accounted for about 4.6 percent of all wines at 1.65 million gallons. Table wine is the primary wine produced by wineries in reporting wine trails. In the eight trails listed, table wines accounted for 86 percent of their total production.

Table 11: Type of Wine Produced					
Year	Total Wine <i>1,000 Gallons</i>	Type of Wine			
		Table Wine	Sparkling Wine	Dessert Wine ^{1/}	Specialty Wine
		<i>1,000 Gallons</i>			
1985	24,817	7,560	1,373	13,649	2,235
1995	30,371	12,276	2,088	13,074	2,933
1997	31,733	11,246	1,587	16,391	2,509
2000	40,783	21,535	2,533	11,925	4,790
2003	38,184	13,201	1,719	13,226	10,038
2008	36,089	9,219	1,648	9,947	15,275

^{1/} Includes harvest and ice wines below 14 percent alcohol and ports and sherries above 14 percent alcohol.

Table 12: 2008 Production, by Type, by Wine Trail					
Wine Trail	Table Wine	Sparkling Wine	Dessert Wine ^{3/}	Specialty Wine	Total
	<i>Gallons</i>				
Shawangunk	208,000	10,000	22,000	98,000	338,000
Cayuga Lake	404,000	2/	2/	21,000	441,000
Seneca Lake	1,069,000	2/	2/	36,000	1,127,000
Keuka Lake	226,000	2/	8,000	2/	234,000
Canandaigua	5,770,000	2/	2/	2/	6,783,000
Niagara	67,000	2/	2/	8,000	78,000
Chautauqua-Lake Erie	151,000	2/	352,000	2/	152,000
Thousand Islands	30,000	2/	2/	2/	35,000
All Other ^{1/}	1,294,000	1,616,000	9,542,000	14,449,000	26,901,000
State Total	9,219,000	1,648,000	9,947,000	15,275,000	36,089,000

^{1/} Includes Long Island Wine Council and Dutchess Wine Trail, as well as wineries with no wine trail membership.
^{2/} Not published to prevent disclosure of individual operations.
^{3/} Includes harvest and ice wines below 14 percent alcohol and ports and sherries above 14 percent alcohol.

Survey responses indicated a shift from white wines back to red wines in 2008. This coincides with surveys earlier than 2003, which suggested about one-half of the wines produced were red, with slightly less than half being white.

Wineries now indicated they are producing red wines about 49 percent of the time while white wines dropped to 45 percent. The remaining 6 percent were rose or blush wines.

Table 13: Table Wine Production				
Year	Total Table Wine	Type of Table Wine		
		Red	White	Rose & Blush
	<i>1,000 Gallons</i>		<i>Percent</i>	
1985	7,560	53	39	8
1995	12,276	52	40	8
1997	11,246	50	41	9
2000	21,535	41	27	32
2003	13,201	37	50	13
2008	9,219	49	45	6



Visitation

Visitation to all New York wineries jumped 21 percent from 2003 to 2008 with just under 5.0 million estimated visitors. General visitation seemed to be the predominant reason to visit a New York winery, as 83 percent of the visitors were recorded under that purpose. Trail events were attributed as the second reason to visit a

New York winery, up 2 points to 11 percent. The largest proportion of visitors, 46 percent, was from New York but that amount fell from the 52 percent recorded in 2003. Other Northeastern states contributed another 18 percent of all visitors, about the same percent as 5 years earlier.

Table 14: Winery Visitation

Wine Trail	Number of Visitors					
	1985	1995	1997	2000	2003	2008
	<i>1,000</i>					
Long Island	50	192	466	535	943	1/
Shawangunk	98	142	158	161	1/	202
Dutchess	19	28	37	44	1/	1/
Cayuga Lake	64	245	284	358	460	522
Seneca Lake	56	515	658	849	1,298	1,224
Keuka Lake	2	41	79	110	261	261
Canandaigua	-	-	-	-	1/	70
Niagara	-	-	-	-	1/	166
Chautauqua-Lake Erie	-	-	-	-	1/	179
Thousand Islands	-	-	-	-	-	61
All Other	95	276	514	628	1,175	2,301
State Total	384	1,439	2,196	2,685	4,137	4,986

^{1/} Included in All Other.

Table 15: Winery Visitation Reasons

Wine Trail	General Visit				Winery Event				Trail Event			
	1997	2000	2003	2008	1997	2000	2003	2008	1997	2000	2003	2008
	<i>Percent</i>											
Long Island	79	73	89	1/	21	24	10	1/	*	3	1	1/
Shawangunk	56	58	1/	52	28	29	1/	28	16	13	1/	19
Dutchess	94	93	1/	1/	6	7	1/	1/	*	*	1/	1/
Cayuga Lake	78	86	76	76	6	6	8	8	16	8	16	16
Seneca Lake	83	83	86	85	5	4	2	2	12	13	12	13
Keuka Lake	68	65	77	77	7	16	8	6	25	19	15	18
Canandaigua	-	-	1/	85	-	-	1/	5	-	-	1/	10
Niagara	-	-	1/	52	-	-	1/	11	-	-	1/	37
Chautauqua-Lake Erie	-	-	1/	74	-	-	1/	13	-	-	1/	13
Thousand Islands	-	-	-	75	-	-	-	24	-	-	-	1
All Other	91	98	86	95	6	2	6	3	3	*	8	2
State Total	80	83	85	83	10	10	6	6	10	7	9	11

^{1/} Included in All Other.
* Less than one percent.

Table 16: Origin of Winery Visitors 2008

Wine Trail	New York	Other Northeastern States ^{1/}	All Other States	Canada	Other Foreign	Unknown
	<i>Percent</i>					
Shawangunk	62	23	3	1	7	4
Cayuga Lake	33	11	3	2	1	50
Seneca Lake	45	23	6	2	*	24
Keuka Lake	64	26	6	2	1	1
Canandaigua	76	12	5	3	*	4
Niagara	82	8	6	2	2	-
Chautauqua-Lake Erie	37	48	11	2	1	1
Thousand Islands	60	14	3	12	2	9
All Other ^{2/}	39	13	4	*	1	43
State Total	46	18	5	1	1	29

* Less than one percent.
^{1/} Includes PA, NJ, CT, RI, MA, VT, NH, and ME.
^{2/} Includes Long Island Wine Council and Dutchess Wine Trail, as well as wineries with no wine trail membership.

Customers spent an average of \$24.30 per person at the tasting room during each visit. That average is up \$3.80 from the 2003 average. The Seneca Lake Wine Trail again reported the lowest average sales per customer at \$17.50, and Keuka

Lake Wine Trail customers paid the highest average of \$38.40 each. Wine sales accounted for 84 percent of all item sales with a range from 73 percent on the Canandaigua Wine Trail to 95 percent on the Shawangunk Wine Trail.

Table 17: Average Sales per Customer at Tasting Room

Wine Trail	Year				
	1995	1997	2000	2003	2008
	<i>Dollars</i>				
Long Island	15.45	18.50	12.50	27.75	1/
Shawangunk	1/	1/	1/	1/	18.45
Dutchess	10.55	13.05	36.40	1/	1/
Cayuga Lake	10.55	14.40	20.30	18.25	20.30
Seneca Lake	7.40	8.50	12.30	14.50	17.50
Keuka Lake	13.35	14.40	17.00	1/	38.40
Canandaigua	-	-	-	1/	23.65
Niagara	1/	1/	1/	1/	18.80
Chautauqua-Lake Erie	1/	1/	1/	1/	18.90
Thousand Islands	-	-	-	-	19.80
All Other	12.90	13.60	11.70	17.50	34.70
State Total	11.95	13.80	13.75	20.50	24.30

^{1/} Included in All Other.

Table 18: Wine and Other Item Sales at Tasting Room

Wine Trail	1997		2000		2003		2008	
	Wine Sales	Other Items	Wine Sales	Other Items	Wine Sales	Other Items	Wine Sales	Other Items
	<i>Percent</i>							
Long Island	95	5	82	18	90	10	1/	1/
Shawangunk	1/	1/	1/	1/	1/	1/	95	5
Dutchess	76	24	67	33	1/	1/	1/	1/
Cayuga Lake	80	20	88	12	87	13	76	24
Seneca Lake	87	13	84	16	87	13	85	15
Keuka Lake	85	15	77	23	84	16	82	18
Canandaigua	-	-	-	-	1/	1/	90	10
Niagara	1/	1/	1/	1/	1/	1/	73	27
Chautauqua-Lake Erie	1/	1/	1/	1/	1/	1/	89	11
Thousand Islands	-	-	-	-	-	-	94	6
All Other	87	13	74	26	85	15	81	19
State Total	86	14	81	19	87	13	84	16

^{1/} Included in All Other.



Sales and Distribution

Only 14 percent of all wine produced in New York stays in New York, but that percentage is up from 10 percent recorded in 2003. The majority of wine, 82 percent, goes to other states, while 4 percent is sold in other countries. Except on the Canandaigua Wine Trail, most wine produced is sold in New York with a range from 64 percent on

the Shawangunk Wine Trail to 100 percent on the Chautauqua-Lake Erie Wine Trail. The Canandaigua Wine Trail, with 77 percent, sold the highest amount of wine in other states, while Shawangunk wineries sold over one-third, 35 percent, in other states.

Table 19: Sales by Location and Wine Trail

Wine Trail	2000			2003			2008		
	New York	Other States	Other Countries	New York	Other States	Other Countries	New York	Other States	Other Countries
	<i>Percent</i>								
Long Island	90	9	1	92	8	*	1/	1/	1/
Shawangunk	85	11	4	1/	1/	1/	64	35	1
Dutchess	89	11	-	1/	1/	1/	1/	1/	1/
Cayuga Lake	100	*	-	98	1	-	98	2	*
Seneca Lake	95	5	*	97	3	-	88	12	*
Keuka Lake	98	2	*	98	2	-	79	20	1
Canandaigua	-	-	-	1/	1/	1/	17	77	6
Niagara	-	-	-	1/	1/	1/	98	2	-
Chautauqua-Lake Erie	-	-	-	1/	1/	1/	100	-	-
Thousand Islands	-	-	-	-	-	-	97	3	-
All Other	5	94	1	7	91	1	8	88	4
State Total	7	92	1	10	89	1	14	82	4

^{1/} Included in All Other.

* Less than one percent.

Statewide, only 10 percent of all wines are sold in the region where they were produced. There was a wide range, though, as the Niagara and Chautauqua-Lake Erie trails respectively sold 93

and 92 percent of their wine within their regions. On the Canandaigua trail, however, only 8 percent of their wine stayed in their region.

Table 20: Percent of Cases Sold in Region Produced

Wine Trail	Year		
	2000	2003	2008
	<i>Percent</i>		
Long Island	73	84	1/
Shawangunk	84	1/	72
Dutchess	84	1/	1/
Cayuga Lake	77	75	59
Seneca Lake	8	87	68
Keuka Lake	87	96	58
Canandaigua	-	1/	8
Niagara	-	1/	93
Chautauqua-Lake Erie	-	1/	92
Thousand Islands	-	-	89
All Other	6	2	7
State Total	8	4	10

^{1/} Included in All Other.

Although 81 percent of all case sales statewide go through an out-of-state distributor, wineries in wine trails sell about one-third to almost three-fourths at their wineries. Another one-fourth to one-half is sold through a New York distributor. The Thousand Islands-Seaway wineries shipped

the highest percent of cases to consumers at 15 percent. The average price of cases sold was \$30 for all cases in New York. Niagara wineries had the highest average at \$120, and the lowest average was \$25 in Canandaigua wineries.

Table 21: Percentage of Case Sales in Distribution Channel, 2008

Wine Trail	Sales at Winery to Consumer	Shipped Winery to Consumer	Liquor Stores	Restaurants	Through NY Distributor	Through Out of State Distributor	Other
	<i>Percent</i>						
Shawangunk	39	10	3	*	28	18	2
Cayuga Lake	46	4	3	1	45	1	-
Seneca Lake	30	1	3	*	54	11	1
Keuka Lake	35	1	1	*	48	12	3
Canandaigua	1	*	*	*	16	77	6
Niagara	72	1	20	4	-	-	3
Chautauqua-Lake Erie	47	2	16	9	23	-	3
Thousand Islands	44	15	40	1	-	-	-
All Other ^{1/}	1	*	*	*	7	87	4
State Total	3	*	*	1	10	81	4

^{1/} Includes Long Island Wine Council and Dutchess Wine Trail, as well as wineries with no wine trail membership.

*Less than one percent.

Table 22: Percent of Dollar Sales in Distribution Channel, 2008

Wine Trail	Sales at Winery to Consumer	Shipped Winery to Consumer	Liquor Stores	Restaurants	Through NY Distributor	Through Out of State Distributor	Other
	<i>Percent</i>						
Shawangunk	49	14	2	*	19	12	3
Cayuga Lake	62	7	4	1	26	*	-
Seneca Lake	49	2	1	*	39	8	1
Keuka Lake	46	1	1	*	36	13	3
Canandaigua	2	*	1	*	16	76	6
Niagara	80	*	18	*	-	-	1
Chautauqua-Lake Erie	64	2	15	6	13	-	-
Thousand Islands	52	16	32	*	-	-	-
All Other ^{1/}	4	1	*	*	6	84	4
State Total	11	1	1	*	11	72	4

^{1/} Includes Long Island Wine Council and Dutchess Wine Trail, as well as wineries with no wine trail membership.

*Less than one percent.

Table 23: Average Price of Cases Sold in Distribution Channel, 2008

Wine Trail	Sales at Winery to Consumer	Shipped Winery to Consumer	Liquor Stores	Restaurants	Through NY Distributor	Through Out of State Distributor	Other	Avg. All Sales
	<i>Dollars</i>							
Shawangunk	100	110	60	90	50	50	125	75
Cayuga Lake	120	135	110	145	50	70	-	90
Seneca Lake	115	90	105	115	45	45	105	70
Keuka Lake	125	120	100	110	70	100	90	95
Canandaigua	100	135	65	55	25	25	*	25
Niagara	140	95	150	80	-	-	*	120
Chautauqua-Lake Erie	110	80	60	40	*	-	-	75
Thousand Islands	135	125	*	*	-	-	-	115
All Other ^{1/}	190	185	75	135	25	25	25	25
State Total	130	135	80	115	30	25	25	30

^{1/} Includes Long Island Wine Council and Dutchess Wine Trail, as well as wineries with no wine trail membership.

*Insufficient reports to publish.

Employment

Statewide, 69 percent of all winery workers are part time employees, and 31 percent are employed full time. The Canandaigua Wine Trail differed from all other trails, reporting 85 percent full time and 15 percent part time employees. In the remaining trails, part time staff continued to greatly outnumber full time staff. Part time percentages ranged from 70 to 84 percent, while full time percentages ranged from 16 to 30 percent.

Among the 104 wineries reporting payroll, the average earnings per employee were \$15,200. This amount varied by wine trail, depending on

the percentage of full time versus part time employees. Trails with a greater percentage of full time employees had an average payroll per employee that ranged from \$11,000 to \$14,100. Trails with a greater percentage of part time employees had an average payroll per employee that ranged from \$6,100 to \$10,000.

Seventy four percent of wineries with vineyards or orchards indicated they were able to hire reliable workers for their vineyards or orchards when needed. Reliable workers for the winery were available for 82 percent of wineries.

Table 24: Winery Workers and Average Payroll, 2008

Wine Trail	Percentage of Workers		Average Payroll Per Employee
	Full Time	Part Time	
	<i>Percent</i>		<i>Dollars</i>
Shawangunk	30	70	\$14,100
Cayuga Lake	16	84	\$8,100
Seneca Lake	23	77	\$10,000
Keuka Lake	21	79	\$7,900
Canandaigua	85	15	2/
Niagara	22	78	\$6,100
Chautauqua-Lake Erie	30	70	\$11,000
Thousand Islands	30	70	2/
All Other ^{1/}	47	53	\$27,200
State Total	31	69	\$15,200
^{1/} Includes Long Island Wine Council and Dutchess Wine Trail, as well as wineries with no wine trail membership. ^{2/} Insufficient reports to publish.			

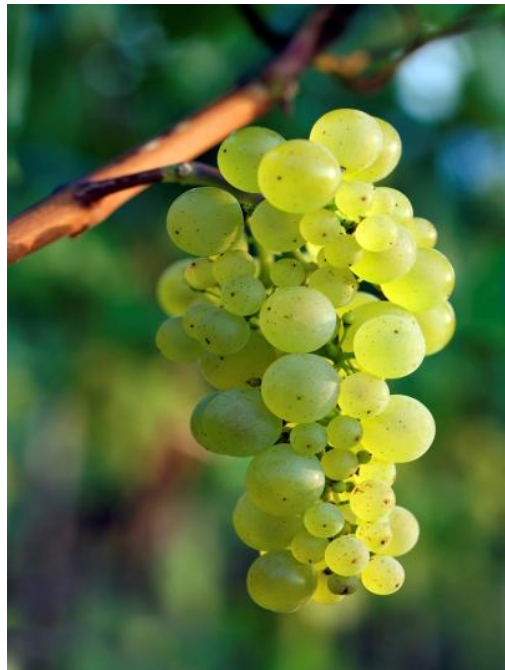
Table 25: Percentage of Employees, by Wine Trail and Primary Activity, 2008

Wine Trail	Employee Primary Activity				
	Vineyard Operation	Wine Production	Tasting Room	Marketing & Sales	Other
	<i>Percent</i>				
Shawangunk	26	15	43	7	8
Cayuga Lake	35	7	37	5	16
Seneca Lake	37	7	41	4	11
Keuka Lake	30	13	42	10	5
Canandaigua	21	64	11	3	-
Niagara	23	17	48	13	-
Chautauqua-Lake Erie	6	12	38	18	25
Thousand Islands	8	10	40	30	13
All Other ^{1/}	27	32	29	5	7
State Total	30	17	37	6	10

^{1/} Includes Long Island Wine Council and Dutchess Wine Trail, as well as wineries with no wine trail membership.

Table 26: Ability to Hire Reliable Workers, 2008

	Yes	No
	<i>Percent</i>	
For Vineyard/Orchard	74	26
For Winery	82	18



Investment

Winery investments over the three year period of 2006 – 2008 were reported by 124 wineries. During those three years, 34 percent of all investments were made in the wine making area, with an average investment of \$163,000. Investment also varied by size of the operation.

Wineries with capacity under 100,000 gallons averaged just under \$300,000 in investments. All wineries invested an average of just under \$400,000 in their operations over the three year time frame.

Table 27: Winery Investment 2006 to 2008		
Area Of Investment	Percentage of Dollars Invested	Average Dollar Amount Invested
	<i>Percent</i>	<i>Dollars</i>
Vineyard	13	\$78,000
Tasting Room	18	\$102,000
Wine Making Area	34	\$163,000
Warehouse	10	\$107,000
Other	25	\$293,000
State Total	100	\$392,000

Table 28: Winery Investment 2006 to 2008, by Size	
Winery Capacity	Average Investment
Under 100,000 gallons	\$297,000
All Wineries	\$392,000

Taxes

In this survey, 129 operations reported tax data. Reporting Farm wineries paid an average of \$34,600 in federal and state taxes. Reporting

Commercial wineries paid an average of \$1,788,300 in federal and state taxes in 2008.

Table 29: Taxes Paid by Wineries, 2008, by License Type		
License	Average Federal Taxes Paid	Average State Taxes Paid
Commercial	\$1,700,000	\$88,300
Farm ^{1/}	\$2,900	\$31,700
State Total	\$334,200	\$42,700

^{1/} Includes wineries with other licenses.





**NATIONAL
AGRICULTURAL
STATISTICS
SERVICE**

2008 SURVEY OF NEW YORK WINERIES

New York Agricultural Statistics Service
Dept. of Agriculture & Markets
10B Airline Drive
Albany, NY 12235
518-457-5570
1-800-821-1276
Fax: 1-800-591-3834

The New York Agricultural Statistics Service is conducting a survey of New York wineries to measure the economic value of the wine industry and its recent growth. Your response to this survey is vital to provide a complete assessment of the industry. Your individual responses will be kept confidential and only aggregated data will be published.

Stephen C. Ropel
Stephen C. Ropel
Director

Please make corrections to name, address and Zip Code, if necessary.

Section 1 - GENERAL INFORMATION

		Year
1. In what year was your winery established?		101 ____
		Code
2. Is your New York State license for	<input type="checkbox"/> Commercial winery? - 1 <input type="checkbox"/> Farm winery? - 3	102
	<input type="checkbox"/> Other? - 5	
3. Which "Wine Trail" does your winery belong to, if any (Check one or more)		
<input type="checkbox"/> Long Island Wine Council - 1	<input type="checkbox"/> Canandaigua Wine Trail - 7	Code
<input type="checkbox"/> Shawangunk Wine Trail - 2	<input type="checkbox"/> Niagara Wine Trail - 8	105
<input type="checkbox"/> Dutchess Wine Trail - 3	<input type="checkbox"/> Chautauqua Lake Erie Wine Trail - 9	
<input type="checkbox"/> Cayuga Wine Trail - 4	<input type="checkbox"/> Thousand Island Seaway Wine Trail - 10	Code
<input type="checkbox"/> Seneca Lake Winery Assoc. - 5	<input type="checkbox"/> None - 11	840
<input type="checkbox"/> Keuka Lake Wine Trail - 6		
		Code
4. Do you have your own "Home Page" on the internet?	<input type="checkbox"/> YES - 1 <input type="checkbox"/> NO - 3	106

Section 2 – VINEYARD INFORMATION

1. Does your operation have a vineyard?

- YES** - Continue **NO** – Enter code “3” , go to question 2

Code

201

1a. In 2008, how many acres of grapes did this operation own or rent?

Bearing Acres

202

2. Does your operation grow other fruit or berries for wine production?

- YES** - Continue **NO** – Enter code “3” , go to question 3

Code

203

2a. In 2008, how many acres of other fruit did this operation own or rent for wine production?

Acres

206

3. Does your operation press fresh grapes?

- YES** - 1 **NO** - 3

Code

207

Section 3 – WINE PRODUCTION

1. What was your total wine **production capacity** for 2008?

Year	Capacity (<i>Gallons</i>)			
	Total	Stainless Steel	Oak barrels	Other
2008	301	311	321	806

2. Record the **gallons** of wine produced by type for 2008

Year	Total gallons	Total wine by type (<i>Gallons</i>)				
		Table wine	Sparkling wine	Dessert wine ^{1/}	Fortified wine ^{2/}	Specialty wine ^{3/}
2008	304	314	324	334	344	354

^{1/} Dessert wines refer to harvest and ice wines below 14 percent alcohol.

^{2/} Fortified wines refer to ports and sherries above 14 percent alcohol.

^{3/} Specialty wines include fruit wines, flavored wines, honey wines, brandies, wine coolers (*wine base not malt base*) and others.

3. For your **Table Wine** production reported in item 2, record the production in gallons by type and by species of grapes (*even if wines are not labeled by variety*).

	Total	Native American	(Hybrid) French-American	Vitis Vinifera
Red	807	811	815	819
White	808	812	816	820
Rose/Blush	809	813	817	821
Total	810	814	818	822

Section 4 – TOURISM

1. Report the actual or estimated number of visitors to your winery in 2008, and the actual or assumed reasons for their visits.

Year	Total Number of Visitors	Reason for Visits		
		General	Special Winery Event	Wine Trail Event
2008	401	411	421	431

2. Report the actual or estimated dollars of sales by type, and the average sales per customer at your **tasting room** and the percentage of wine versus other items.

Year	Total Sales	Average per Customer	Sales by Type	
			Wine	Other Items
2008	404	414	424	434

3. Record the actual or estimated number of visitors to your winery in 2008 by place of origin.

State/Country of Origin	Number
New York	437
Other Northeastern States ^{1/}	438
All Other States	439
Canada	440
All Other Foreign	441
Unknown	442
TOTAL (Should equal Total Number of Visitors in Question 1)	443

^{1/} Includes PA, NJ, CT, RI, MA, NH, VT, and ME.

Section 5 – DISTRIBUTION AND SALES

1. Record the **total case sales** by location for 2008.

Year	Total Cases Sold	Cases Sold by Location		
		New York	Other States	Other Countries
2008	501	511	521	531

2. Record your **Total Case Sales** at the following locations.

Location	Cases Sold	Total Dollar Sales
Direct to consumer at your winery	540	541
Direct to consumers via UPS or other carrier	824	827
Direct to restaurants	542	543
Direct to liquor stores	549	550
Through a New York distributor	544	545
Through an out-of-state distributor	825	828
Other (Specify) _____	546	547
TOTAL (Should equal Total Cases Sold in Question 1)	826	829

3. What percentage of your **Total Case Sales** occurred in your general region in 2008?
 (Long Island, Hudson Valley, Finger Lakes, Lake Erie)

Percent
548

Section 6 – TAXES

1. How much has your winery paid (or indirectly contributed) to the **Federal** government and **New York State** government in the form of taxes listed below? (Provide your best estimates of State and Federal excise taxes paid by wholesalers, and New York State sales tax (indirect) paid by retailers and restaurants for sales of your wine.)

Federal tax	Dollars 2008	State Tax	Dollars 2008
Direct excise tax	601	Direct excise tax (winery)	617
Excise taxes by wholesalers (estimated)	602	Excise taxes by wholesalers (estimated)	618
		Direct sales tax from winery	619
		Indirect sales tax from retailers and restaurants (estimated)	620
TOTAL	603	TOTAL	621

Section 7 – EMPLOYMENT AND INVESTMENT

1. What was the number of employees and total payroll in your operation?

Year	Total Payroll (Dollars)	Number of Paid Employees		
		Full-time	Part-time	Total
2008	640	650	660	670

2. Of your total paid employees in 2008, what **primary** activity did each perform? (Count each employee only **once** under their **primary** activity)

Activity	Number of employees		
	Full-time	Part-time	Total
Vineyard operation	653	663	643
Wine production	654	664	644
Tasting room	655	665	645
Marketing and sales	656	666	646
Other	657	667	647

3. Are you able to hire reliable workers when needed for your:

Vineyard/Orchard?	<input type="checkbox"/> YES - 1	<input type="checkbox"/> NO - 3	<input type="checkbox"/> Not Applicable	Code
				740
Winery?	<input type="checkbox"/> YES - 1	<input type="checkbox"/> NO - 3		Code
				741

4. Have you and others made any **capital investments** in the past 3 years?

<input type="checkbox"/> NO – That completes this survey. Thank you for your help	Code
<input type="checkbox"/> YES – What was the total capital investment put in your operation during the past 3 years?	742

Area Invested in	Total Dollar Investment 2006 to 2008
Vineyard	830
Tasting Room	831
Wine Making Area	832
Warehouse	833
Other	834
TOTAL	835

This completes the survey. Thank you for your help.

Respondent's Name _____ Position/Title _____