



Illinois Wineries and Vineyards

by Dennis Hoffman

Photo of wine barrels at Lynfred Winery in Roselle, IL. Photo provided by Illinois Wine – www.illinoiswine.com.

“Wineries in Illinois” one might ask? The answer is surprisingly “Yes.”

The winery and vineyard business is an industrial sector which has experienced significant growth in Illinois. In addition, the Illinois wine industry is expanding with a greater presence throughout the state. Per the Illinois Wine Industry website, the Illinois Grape Growers and Vintners Association states that, “The Illinois Wine Industry is united in its genuine passion and pride in creating

hand-crafted wines and delivering a sophisticated experience.” The website for Illinois Wineries is www.illinoiswine.com which lists information on vineyard locations, tastings, and other Illinois wine events.

In Illinois, the number of wineries, and the number of acres in production, have steadily increased since the end of the last century. In fact, twenty years ago this industry was practically non-existent in Illinois. Thus, the substantial gains in

Chart 1: Growth of Wineries in Illinois

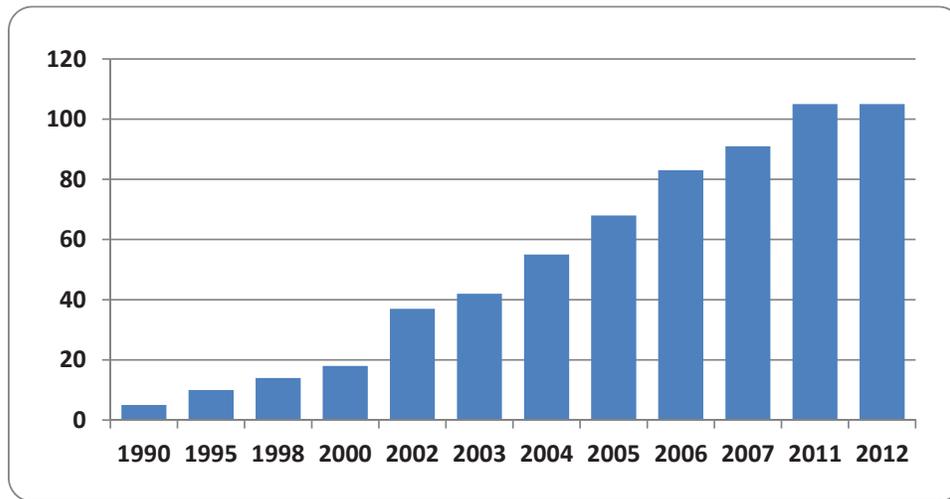


Chart 2: Illinois Wineries - Number of Acres in Production

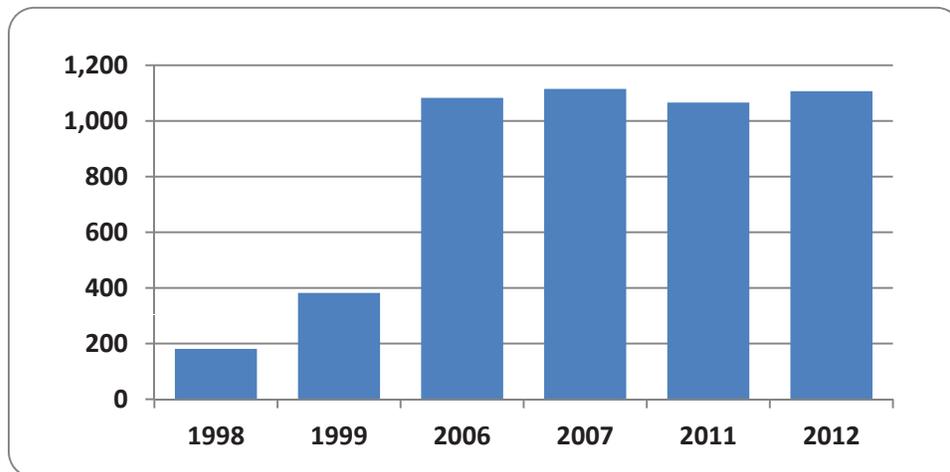


Chart 3: Q1 Number of Firms and Employment for Illinois Wineries



The largest total number of establishments was 62, reported for the first quarter of 2013. The largest average monthly employment was in the third quarter of 2010 at 476. Source: Illinois Department of Employment Security, Economic Information & Analysis Division.

employment, tourist activity, income, and taxes paid have greatly benefited the state during the past two decades. It is interesting to note that in 2011 over 60 percent of the wineries and vineyards were located in the southern half of the state. However, over 40 percent of the wine production occurred in Northern Illinois. Thus, this industry positively affects all regions of Illinois¹.

Wineries

The number of wineries has exploded from five in 1990 to 105 in 2012 (*Chart 1*). That is a 2000 percent increase in the number of establishments. While most of the wineries were in Southern Illinois in the 1990s, over the past decade, many new wineries have opened throughout the entire state. In 2011 there were 21 wineries in Northern Illinois and 18 in Central Illinois. There were 29 wineries in South Central Illinois and 37 in Southern Illinois in 2011. In 2011 wine production totaled 651,000 gallons from 105 commercial wineries¹.

Grape Production

In 1998, 181 acres were involved in grape production in Illinois. By 2012, there were over 1,100 acres in grape production (*Chart 2*). Thus, the acreage in production has increased by over six times in just the past 14 years. Once again, vineyards began primarily in the southern half of the state, but by 2012 grape growers were fairly evenly divided throughout Illinois¹.

Employment

According to the quarterly employment and establishment reports from the Economic Information & Analysis Division with the Illinois Department of Employment Security, steady growth



Photo of Grapes on the vine at Cameo Winery in Greenup, IL. Photo provided by Illinois Wine – www.illinoiswine.com.

in the winery industry has occurred over the past ten years. Statewide employment from 2003 to 2013 has expanded from approximately 100 workers to over 400 employees (*Chart 3, on previous page*). In the third quarter of 2010, the average monthly employment was 476. The number of firms reporting these workers also reflects this steady growth as, over the ten year period, the total number of establishments has increased from 19 to 62 businesses.

Tourism and Sales

Most of Illinois' wine is sold directly to the customer, including wine clubs, festivals and other wine events. Some wine is also sold through local restaurants and other retail stores. With the substantial increase in the number

of wineries and wine production, the retail value of Illinois wine sold in 2012 is estimated at \$38.6 million ². This growth in sales has, of course, benefited local and state government with increased tax revenues.

Events held at the wineries, which promote sales and tourism, include weddings, concerts, wine tastings, and private parties. The development of Wine Trails throughout the state in recent years have also added another avenue for distribution and sales. For example, the Shawnee Wine Trail in Southern Illinois has 12 wineries scattered throughout Jackson and Union Counties in the Shawnee Forest. Another Wine Trail with six wineries is the Southern Illinois Trail located in Johnson, Pope, and Saline Counties.

Nearly 20 bed and breakfasts along with numerous cottage, inn, and cabin lodging opportunities have opened near the wineries with easy access to the Shawnee Forest and activities such as horse back riding, biking, hiking, rock climbing, zip lining, golfing, and antiques. Giant City State Park and Cave-In-Rock State Park are located in the Shawnee Forest. All these wonderful outdoor recreational opportunities, coupled with the relaxing winery settings, have a tremendous impact on tourism and the local economies.

Conclusion

Although the wine and grape production industries are small in number of firms and size of operations, significant growth has occurred during the past twenty years. In fact, in the early 1990s, these industries were practically non-existent in Illinois. Without a doubt, the growth of wineries and vineyards has boosted economic activity in many of the rural areas of the state. The outlook is for increased employment and establishments throughout Illinois and, with this growth, continued expansion in tourism and retail opportunities.

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Footnotes:

1. "The Illinois Grape and Wine Industry" USDA-NASS Illinois Field Office, Springfield, Illinois, 2011.
2. "The Economic Impact of Illinois Wine and wine Grapes" by Frank, Rimerman + Co. LLP; June 2013.