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FOR SUSTAINABLE AGRICULTURE

# Let the vineyards be fruitful: A study of the potential market for Iowa grape juice

Abstract: As grape production in Iowa increases, growers are looking for new markets. This study considers the buying potential for locally grown and processed grape juice.

## Question & Answer

**Q: What other crop options offer Iowa farmers an alternative to commodity crop production?**

**A:** Here is information about the potential niche market for a locally grown or organic grape juice. The research shows consumers have an interest in these types of products.

## Background

“Let the vineyards be fruitful” is part of the ongoing efforts to develop markets for Iowa food and fiber products. Encouraging healthy markets for local products will support more vibrant local communities and energized local food systems. Earlier research by the Leopold Center on the possible success of a revitalized grape industry in Iowa helped spur this project. (See the 2002 Center paper on *Grape Expectations: A food system perspective on redeveloping the Iowa grape industry* at <http://www.leopold.iastate.edu/pubs-and-papers/2002-08/grape-expectations>) This study attempts to evaluate the market for Iowa’s locally grown and processed grape juice.

Key questions to be answered by this project:

1. What is the interest in purchasing a locally grown grape juice product by buying clubs?
2. What is the interest in purchasing a locally grown grape juice product by churches?

## Approach and methods

The surveys were designed by Jonna Higgins-Freese with assistance from Sue Futrell on the food buying club survey and Mary Swalla-Holmes on the church survey.

**Buying club survey**—Buying clubs are groups of 10 to 30 households that pool their ordering to be able to buy at wholesale and usually operate by volunteer labor. Members tend to be well educated and well informed about the products they are buying. Roughly 10 to 20 percent have allergies that require them to seek out specialty foods, while many of the rest are motivated by general interest in health and nutrition. Demographically, club members live in urban and rural areas and belong to all income brackets. They are likely to have education levels of high school or above and share common health awareness or concerns. A significant portion of them are families with young children.

Blooming Prairie, an Iowa City wholesale organic distributor, says its buying club customers are generally motivated by interest in and desire for access to natural and organic products, and the opportunity to save money in exchange for their labor and willingness to order in quantity. Blooming Prairie worked with the project investigator to send a one-page questionnaire to 500 affiliated buying clubs, including 238 Iowa buying clubs and one-half of the buying clubs in adjacent states. Thirty-three percent (164) of the questionnaires were returned.

### Principal Investigator:

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### Budget:

\$2,111 for year one  
\$2,108 for year two

**Church survey**—A one-page questionnaire was sent to 120 United Methodist, Church of Christ, and Presbytery Churches in Iowa. Church listings were received from the Ecumenical Ministries of Iowa. Half of the randomly selected churches were in urban areas, and the rest were located in towns or rural areas. These churches use grape juice for communion services.

The percentage of churches selected from each denomination was based on the percentage of total churches represented by that denomination. For example, in the rural church group of 918, 656 or 71 percent are Methodist. So 71 percent of the rural surveys went to United Methodist congregations. Thirty percent (36) of the questionnaires were returned with roughly equal representation from each sub-category. Response rates were not high for either group of churches.

### **Results and discussion**

**Buying club survey**—In assessing product characteristics, taste was ranked highest, followed by freshness. Respondents were more concerned with characteristics related to the perceived healthiness or nutritional value of the product rather than where it was grown or its appearance. “Certified organic” and “price” were ranked as important by nearly 67 percent of those who responded. Seventy-eight percent of the purchases were Concord grape juice.

When asked about alternative grape juice products, 90 percent of the respondents indicated they would be willing to purchase a locally grown organic product. Fifty percent of the respondents said they would be willing to purchase a local product if the producers used limited pesticides, meaning the product was not organic. Only 35 percent of the respondents were interested in a product sweetened with sugar, while 83 percent preferred a product sweetened with other fruit juices.

One-third of the respondents said they would be willing to pay more for a locally grown grape product. Sixty-eight percent were interested in purchasing a local (not necessarily organic) sparkling grape juice product.

**Church survey**—Churches that returned the questionnaires represented 11,127 congregation members. Contrary to researchers’ expectations, there was no difference in grape juice consumption by urban versus rural classification. The size of the congregation, not the

location, was the determining factor in consumption levels. Geographic location had no discernible effect on the responses.

Convenience of purchase, taste, and price were the most highly ranked characteristics for church buyers, regardless of church size. These buyers are volunteers and prefer a product that is easy to purchase and unlikely to generate product complaints. Respondents indicated little concern about how a product was grown or packaged.

Potential demand for a local product is likely to come from churches with memberships above 200 and grow substantially as membership exceeds 500. The larger churches that responded to the survey purchased 73 percent of the total church purchases of grape juice, making them a prime market for a local product.

### **Conclusions**

If the survey responses accurately represent the wishes of the larger populations for the buying clubs and churches, the potential demand for locally grown grape juice could be calculated based on current usage figures included in the survey responses:

- The 500 buying clubs have a potential demand of 2,140 cases or twelve 32-ounce bottles for a total demand of 6,420 gallons (one case equals three gallons of product).
- The 500 buying clubs have a potential demand of 2,014 bottles of sparkling grape juice.
- The 412 churches with memberships of more than 200 have a potential demand of 6,073 gallons.

Combined, the potential demand could reach 12,500 gallons, depending on the characteristics of the product. Churches did not indicate strong preferences among organic, limited pesticide, and sparkling grape juices, but they were very interested in price and convenience. To satisfy even part of this potential demand with local products, further research is needed to better define the available markets and outline how to successfully enter a particular market.

### **Impact of results**

There appear to be roughly similar potential markets for a locally grown grape juice product among buying clubs and churches. The question remains how large these potential markets are. More research focused on churches with

memberships above 200 would be helpful, as would more information on characteristics of buying clubs and the needs of potential buyers.

One southeast Iowa grape producer, who grows juice grapes and has the equipment to process sparkling grape juice, used the information from the project to help prepare marketing plans.

#### **Education and outreach**

The results of this project will be used by the Iowa Wine and Grape Advisory Council, the Iowa Department of Economic Development, and current and potential grape growers and juice processors.

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