



Michigan Wine Producers: Excise Tax & Volume Sold in 2022 & 2021

The expected outcome of the Michigan Wine Collaborative (MWC) MDARD / USDA Specialty Crop Block Grant is to enhance the competitiveness of specialty crops through increased or sustained sales. This report highlights the 2022 and 2021 Top 20 Producers and tax paid by type of license. The Michigan Wine Collaborative met its goal. The Outcome Indicator indicates a sustained or increased volume of Michigan Wine Sold over the grant reporting period. **The total excise tax paid by 'Michigan Wine Producers' remained stable from 2021 to 2022, at about \$1M.** For these purposes, a 'Michigan Wine Producer' is defined as an entity (or combination of entities) that grows fruit, manufactures wine, and sells wine to consumers and/or wholesalers.

The number of liters sold by Michigan Wineries decreased slightly by 4%, which may be indicative of wholesalers paying more of the tax on a winery's behalf and/or the carryover of crop losses in Southwest Michigan in 2021. Overall, the State of Michigan collected 7% less beer and wine tax across all active licenses in 2022 (700 licenses) when compared to 2021 (683 licenses), indicating that all ferment beverage sales have declined.

Summary of the 2022 Evaluation

282 Michigan Wineries and Michigan Direct Shippers paid a SUM of \$1.04 Million in Excise Tax in 2022 on 7.7 million Liters (L) of Wine Sold or Consumed at the Licensed Winery Locations, totaling over 850,000 Cases of Wine.

The estimated value of the wine sold in 2022, based on \$13.33 per liter, is \$102,400,000. \$13.33/L is the average price of wine in the U.S. based on the [FRED](#) data from Jan 2021-July 2023, see pg. 5. This is a crude estimation based on nationwide commodity prices of all table wine and may not accurately reflect the prices of products Michigan winemakers produce. In a simultaneous survey of the wine industry undertaken by the MWC, respondents reported selling 950,000 cases (8.6M Liters) in 2022. The 100K case difference between the taxed removals and the survey findings may be due to conflated individual responses or bulk wine sales being accounted for by both parties.

Based on the analysis, the Top 20 Producers in the state in 2022 represent 81% of the Total Excise Tax Paid, removing 687,000 cases, and paying \$840,000 total in taxes. Removals varied greatly, ranging from 180,000 cases for the largest winery, St. Julian, to nearly 6,000 cases at Two K. Most winemakers in the Top 20 operated a tasting room, direct shipping license, and/or off-site/joint tasting room licenses. The information in the 2022 table below combines multiple licenses, which is different from the 2021 analysis. While the top 4 remained the same despite the inclusion of multiple licenses, it dramatically changed the order of the remainder. Adjusting the analysis to combine multiple licenses allowed two additional wineries to be added to the list, for instance Cherry Republic and Black Star had 2 licenses in the Top 20, allowing Bel Lago and Verterra to move into the Top 20.

2022 Top 20 Producers (Excise Tax) in Michigan Combined Licenses

	Licensee*	Total Tax Paid	Total L	Cases
1	ST. JULIAN	\$ 220,257	1,627,990	180,888
2	LEELANAU WINE CELLARS	\$ 180,740	1,338,055	148,673
3	CHATEAU GD.TRAVERSE	\$ 102,915	761,274	84,586
4	ENTENTE SPIRITS, LLC, <i>Round Barn, Free Run, Tabor</i>	\$ 43,700	323,558	35,951
5	BLACK STAR FARM, <i>OMP & LP</i>	\$ 35,431	261,755	29,084
6	HARBOR HILL FRUIT FARMS, INC, <i>Good Harbor + Aurora</i>	\$ 32,972	243,707	27,079
7	CHERRY REPUBLIC, Inc.	\$ 29,474	218,183	24,243
8	CASCADE WINERY, INC.	\$ 27,420	203,088	22,565
9	L. MAWBY, LLC	\$ 26,278	194,051	21,561
10	BOWERS HARBOR	\$ 24,755	183,194	20,355
11	CHATEAU OPERATIONS, LTD, <i>Chateau Chantal</i>	\$ 23,397	172,327	19,147
12	FENN VALLEY VINEYARDS	\$ 21,112	155,853	17,317
13	ARMAND ROTH, INC., <i>Left Foot Charley</i>	\$ 11,860	87,854	9,762
14	BRYN WINERY, LC	\$ 10,758	79,688	8,854
15	BEL LAGO VENTURES, LLC + <i>French Valley</i>	\$ 7,947	58,857	6,540
16	MATTHIES, <i>Chateau Fontaine + French Road</i>	\$ 7,783	57,557	6,395
17	CHAOS VINTNERS, LLC <i>Verterra</i>	\$ 7,754	57,324	6,369
18	LEMON CREEK WINERY	\$ 7,651	56,674	6,297
19	FLAVOR FRUIT FARM <i>Meckley's</i>	\$ 7,193	53,282	5,920
20	KK ENTERPRISE NORD, LLC <i>Two K</i>	\$ 7,148	52,881	5,876

*Note this table shows the total tax paid across the total licenses operated by the same parent company, including small/large winemakers, direct shippers, and multiple tasting room location, etc.

Expanding the analysis to the Top 40 Excise Taxpayers (not combined), those licensees pay 84% of the total tax paid by wineries, selling about 715K cases of wine in 2022. All of the wineries and direct shippers in the Top 40 reported more than 2,500 cases of wine removed.

2022 Tax Paid and Liters Removed by License Type

Type of License*	No (#)	Total Tax L	Total L
Wineries	282	\$ 1,038,922	7,681,039
Cideries	52	\$ 191,835	1,420,077
Breweries	222	\$ 145,250	1,075,687
Meaderies	17	\$ 38,711	285,661
Distilleries	14	\$ 1,535	11,318
Wholesalers	113	\$ 11,449,883	84,400,487
Total Active Licenses	700	\$ 12,866,136	94,874,269

*see Explanation and Methodology below for how this information was derived.

Summary of the 2021 Evaluation

274 Michigan Wineries and Michigan Direct Shippers paid a SUM \$1 Million in Excise Tax in 2021 on 8 million Liters (L) of Wine Sold or Consumed at the Licenses Winery Locations, totaling over 890,000 Cases of Wine.

2021 Top 20 Producers (Excise Tax) in Michigan by Licensee

Licensee*	Total Tax \$	Total L	Cases
LEELANAU WINE CELLARS	\$ 214,612	1,588,922	176,547
ST. JULIAN/PAW PAW	\$ 213,304	1,576,822	175,202
CHATEAU GD.TRAVERSE	\$ 116,424	861,285	95,698
ENTENTE SPIRITS, LLC AKA Round Barn, Free Run	\$ 46,418	343,652	38,184
L. MAWBY, LLC	\$ 34,610	256,294	28,477
WINERY/BLACK STAR FARM-TC (Old Mission)	\$ 28,814	212,862	23,651
CASCADE WINERY, INC.	\$ 27,516	203,796	22,644
BOWERS HARBOR	\$ 23,098	171,050	19,006
CHATEAU OPERATIONS, LTD Chantal	\$ 23,051	169,683	18,854
FENN VALLEY VINEYARDS	\$ 21,368	157,776	17,531
HARBOR HILL FRUIT FARMS, INC AKA Good Harbor	\$ 14,751	109,264	12,140
ARMAND ROTH, INC. AKA Left Foot Charley	\$ 10,892	80,683	8,965
WINERY/BLACK STAR FARMS (Leelanau)	\$ 10,244	75,847	8,427
MACKINAW TRAIL WINERY, INC	\$ 8,901	65,404	7,267
FLAVOR FRUIT FARM, LLC AKA Meckley's	\$ 8,355	61,887	6,876
LEMON CREEK WINERY	\$ 7,725	57,225	6,358
MATTHIES, DANNY/LUCIE AKA Chateau Fontaine	\$ 7,592	55,998	6,222
BRYS WINERY, LC	\$ 7,429	55,028	6,114
VILLA MARI, LLC AKA Mari Vineyards	\$ 6,779	50,216	5,580
TWELVE CORNERS VINEYARDS, LLC	\$ 6,094	45,140	5,016

*Note these producers may have multiple locations, offsite license, and direct shipping permits which are not included in the above totals. A wholesaler may have also been designated to pay the tax.

In 2021, the Top 20 Producers in the state represent 77% of the Total (690,000 Cases), all of which are manufacturing more than 5,000 cases, and may have Direct Shipping and Off-Site Licenses, which were not combined in 2021 analysis.

If we expand to include the Top 40 Excise Taxpayers, most produce or direct ship 2,500-5,000 cases, and collectively represent 85% of the States Wine Producers (760,000 Cases). Several of the Top 20 listed above have direct shipping licenses that fall into this category. For Instance, Black Star Farms Operates Two Small Winemaking Facilities (one located on the Old Mission Peninsula, the other on Leelanau), as well as a Direct Shipping permit, representing 34,000 Cases which might slide them into the 5th largest producer in the state. Further analysis may be necessary.

Explanation & Methodology

Starting with the MLCC [2021 Year End Wine Tax Data - Michigan Wineries/Direct Shippers](#), including 812 Licensees, the Wholesalers and Zero Sales were sorted out first. Given my knowledge of the wine and grape producers of this state I was able to easily categorize several producers by Legal Entity Name. Further data was gathered from AIMS to identify DBAs, locations (if a google search was necessary), individuals, and Licenses held. Multiple (beer, wine, and distillery) holders were moved to breweries or distilleries categories. Cider and mead producers were separated as best as possible. Many producers, like Left Foot Charley have both a strong Wine and Cider line. Judgement calls were made to the best of my knowledge, below is a summary of the tax and volume collected by "type" of licensee in 2021. All of these producers have a Winemakers License, they may or may not grow grapes, crush and ferment grapes, or bottle on site. This process was repeated in 2022 and tied out to the analysis completed in 2021, by licensee.

2021 Tax Paid and Liters Removed by License Type

Type of License	No (#)	Total Tax \$	Total L
Wineries	274	\$ 1,083,749	8,013,299
Cideries	54	\$ 265,817	1,968,422
Breweries	220	\$ 87,072	644,849
Meaderies	15	\$ 41,700	307,930
Distilleries	7	\$ 1,786	13,228
Wholesalers	114	\$ 12,348,792	91,184,059
Total Active Licenses	683	\$ 13,828,915	102,131,787

How was this data collected?

Individual Wineries must submit Excise Tax Forms Monthly or Quarterly. Who must file: A Michigan winery that sells wine in Michigan, a Michigan wholesaler that sells wine in Michigan, Michigan licensed direct shippers, and out-of-state licensed direct shipper licensees. A Michigan winery may designate a Michigan wholesale licensee as the taxpayer. However, the Michigan winery must still file wine tax reports and pay the taxes due for all wine sold or consumed at the licensed winery locations.

Average Price: Wine, Red and White Table, All Sizes, Any Origin (Cost per 1 Litter/33,8 Ounces in U.S. City Average



Source: fred.stlouisfed.org, U.S. Bureau of Labor Statistics.

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