

Project #8 Wine Pavilion



SOUTH DAKOTA DEPARTMENT OF AGRICULTURE

STATE FAIR PARK DIVISION

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Specialty Crop Block Grant Program (SCBGP) Final Performance Report

AWARD YEARS 2016 FORWARD

A Final Performance Report must be received within 90 days after the end of the grant agreement. You are required to report on the administration of the agreement and each project approved within the agreement.

COVER PAGE

Provide the following information in the order requested:

- Name of State Department of Agriculture: South Dakota Department of Agriculture, State Fair Division
- Name of State Point of Contact: Peggy Besch
- USDA AMS Agreement Number: 2018SDSDSF01
- Type of Report: Final Performance Report
- Date Report is Submitted: December 27, 2021

GRANT ADMINISTRATION

- If funds were used for grant administration, indicate the amount of funding that has been expended from the start date to the end date of the grant. Also, indicate the amount charged as indirect expenses versus the amount charged as direct expenses.
 - \$12,982.84 of funds used and reimbursed in 2019.
 - \$14,584.46 used in 2020.

FINAL PROJECT REPORT TEMPLATE

Final Performance Reports must illustrate the completion of each project within the grant agreement. Each project shall be outlined as separate project profiles. You will report on projects in the same order they were submitted in the approved State Plan and subsequent amendments.

PROJECT TITLE

Provide the project's title. (Must be the same title used in the approved State Plan or amendment.)

2019 South Dakota State Fair Wine Pavilion

PROJECT IMPACT AND FINDINGS

Include a summary of the project results of 250 words or less, suitable for dissemination to the public. A statement of results provides a brief description of your project, its success, and/or lessons learned. A statement of results should:

1. Include the name of the organization that led and executed the project (State department of agriculture or subrecipient);
2. Capture the project's purpose and activities completed;
3. Outline the outcomes and indicators achieved, results/important findings and lessons learned; and
4. Highlight the target population reached and products developed (including intended use and audience).

The South Dakota Department of Agriculture, State Fair Division, took over the operations of the South Dakota State Fair Wine Pavilion in 2018, working directly with South Dakota wineries, breweries, and distilleries to showcase their products and to give consumers the opportunity to taste and sample South Dakota wines, beers, and spirits. In 2020, as the result of COVID-19, the Wine Pavilion experienced a slight reduction of involvement from wine producers. Twelve wine producers participated in the Pavilion featuring 38 different products. While the overall number consumers who visited the Pavilion declined, there were virtually hundreds of new out-of-state visitors exposing and educating them to South Dakota made wines. Approximately 1,012 bottles of wine were sold and/or used for tasting over a five-day period. In addition, in 2020, we expanded the Wine Pavilion to include the Tap Haus which featured four different micro-breweries who featured 16 different craft beers. The Tap Haus was a new venue for these breweries to feature their goods increasing their sales and access to their products. Plans are underway to continue to expand the number of both breweries and wineries with the additional space.

BENEFICIARIES

Number of project beneficiaries:16

ACTIVITIES PERFORMED

OBJECTIVES

Provide the approved project's objectives.

#	Objective	Completed?	
		Yes	No*
1	Ensure the ongoing continued success of the South Dakota State Fair Wine Pavilion at the South Dakota State Fair.	X	
2	Increase the number of consumers who are exposed to and sample South Dakota wine, beer, and spirits.	X	
3	Increase the exposure and name recognition for South Dakota wineries, breweries, and distilleries thereby increasing their sales.	X	
4	Expand the scope of the pavilion to include more specialty producers such as micro-breweries and distillers.	x	
5	To enhance the educational experience of those attending the South Dakota State Fair by showcasing SD wine producers, breweries, and distillers.	X	

*If no is selected for any of the listed objectives, you must expand upon this in the challenges and lessons learned sections.

ACCOMPLISHMENTS

List your accomplishments for the project's period of performance, including the impact they had on the project's beneficiaries, and indicate how these accomplishments assist in the fulfillment of your project's objective(s), outcome(s), and/or indicator(s).

Accomplishment/Impact	Relevance to Objective, Outcome, and/or Indicator
Objective 1: Ensure the ongoing continued success of the South Dakota State Fair Wine Pavilion at the South Dakota State Fair. At the 2020 South Dakota State Fair. Accomplishment/Impact: A total of 12 wine producers participated in the Pavilion	As a result of COVID-19, there were two less producers than the previous year. However, this allowed the participating wineries to increase the variety of wines offered to consumers expanding exposure of their products.
Objective 1: Ensure the ongoing continued success of the South Dakota State Fair Wine Pavilion at the South Dakota State Fair. Accomplishment/Impact: The Wine Pavilion was expanded to include the Tap Haus with a focus on micro-breweries.	Even amongst the COVID-19 pandemic, we had the support from both breweries and wine producers to opened and operate the Wine Pavilion and Tap Haus which serves as testimony to the value and impact to the producers and consumers. Four different micro-breweries participated in the Tap Haus featuring 16 different craft beers.
Objective 2: Increase the number of consumers who are exposed to and sample South Dakota wine, beer, and spirits. Accomplishment/Impact: There were new consumers from seven different states that experienced the Wine Pavilion and Tap Haus for the first time.	As the result of COVID-19, the overall number of South Dakota consumers who visited the Pavilion declined. However, there were virtually hundreds of new out-of-state visitors exposing and educating them to South Dakota made wines and breweries. Consumers from seven different states were identified.
Objective 3: Increase the exposure and name recognition for South Dakota wineries, breweries, and distilleries thereby increasing their sales. Accomplishment/Impact:	Individual wineries were featured on the South Dakota State Fair Facebook page leading up to the annual South Dakota State Fair resulting in greater name recognition for wineries.
Objective 4: Expand the scope of the pavilion to include more specialty producers such as micro-breweries and distillers. Accomplishment/Impact: The Wine Pavilion was expanded to include the Tap Haus with a focus on micro-breweries.	Four different micro-breweries participated in the Tap Haus featuring 16 different craft beers.
Objective 5: To enhance the educational experience of those attending the South Dakota State Fair by showcasing SD wine producers, breweries, and distillers. Accomplishment/Impact: The creation of the Tap Haus allowed space to create a designated area for educational presentations from producers to speak about the process and production of craft beers and wines.	2020 was a very unusual year because of the pandemic. However, two producers took advantage of the opportunity to speak to consumers about their specific products (one wine producer and one micro-beer producer) on two separate days. They displayed the various crops used in production and spoke to the process from field to bottle.

CHALLENGES

If you experienced any challenges during the project's period of performance, provide a listing of them below. Also, provide the corrective actions you took to address these issues. If you did not attain the approved outcome(s) and indicator(s), provide an explanation in the Corrective Actions column.

Challenge	Corrective Actions
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COVID-19: Operating in a manner where both the producers and consumers felt safe.	Implemented many procedures to mitigate the spread including frequent disinfecting high point areas, cleaning equipment frequently, providing hand sanitizer to all consumers and employees, spacing and distancing of seating area and expanding outdoor seating area.
COVID-19: Many producers choose not to personally attend (on-site).	Had to solicit written materials from producers to train and educate employees about the different wines and micro-breweries so they could explain and educate consumers.
Budget projections were not met.	As a result of the pandemic and fear of getting COVID-19, organizers had no idea what to expect for attendance numbers or how many people would come into the South Dakota State Fair Wine Pavilion or the Tap Haus. It was extremely difficult to secure personnel to work resulting in a decrease in labor cost and contractual cost. Organizers also decided to take a conservative approach in ordering supplies and equipment in anticipation of lower participation and attendance.

LESSONS LEARNED

Provide recommendations or advice that others may use to improve their performance in implementing similar projects.

For anyone wishing to implement a similar project, communication with producers is critical. Outcomes, expectations, quantity of product, boundaries and dos and don'ts of the space available need to be made clear in advance. Also, stressing the importance of the value of collaborating and working as a team to ensure a positive outcome for the consumers is important.

CONTINUATION AND DISSEMINATION OF RESULTS (IF APPLICABLE)

Describe your plans for continuing the project (sustainability; capacity building) and/or disseminating the project results.

Several craft breweries and other wine producers have expressed interest in participating in the Pavilion and wanting a presence which would further increase exposure and ultimately sales. Year 2020 certainly presented some new challenges with COVID-19 and while we were able to expand and establish the Tap Haus, we started small. As we move forward, we have some enhancements and modifications for both the Wine Pavilion and Tap Haus to make it more user and consumer friendly for both producers and consumers taking into account dedicated demonstration areas while expanding products.

OUTCOME(S) AND INDICATOR(S)/SUB-INDICATOR(S)

Provide the results of the project outcome(s) and indicator(s) as approved in your State Plan and project proposal. The results of the outcome(s) and indicator(s) will be used to evaluate the performance of the SCBGP on a national level.

OUTCOME MEASURE(S)

Select the Outcome Measure(s) that were approved for your project.

- ☒ **Outcome 1:** Enhance the competitiveness of specialty crops through increased sales
- ☐ **Outcome 2:** Enhance the competitiveness of specialty crops through increased consumption
- ☒ **Outcome 3:** Enhance the competitiveness of specialty crops through increased access

- ☐ **Outcome 4:** Enhance the competitiveness of specialty crops through greater capacity of sustainable practices of specialty crop production resulting in increased yield, reduced inputs, increased efficiency, increased economic return, and/or conservation of resources
- ☐ **Outcome 5:** Enhance the competitiveness of specialty crops through more sustainable, diverse, and resilient specialty crop systems
- ☐ **Outcome 6:** Enhance the competitiveness of specialty crops through increasing the number of viable technologies to improve food safety
- ☐ **Outcome 7:** Enhance the competitiveness of specialty crops through increased understanding of the ecology of threats to food safety from microbial and chemical sources
- ☐ **Outcome 8:** Enhance the competitiveness of specialty crops through enhancing or improving the economy as a result of specialty crop development

OUTCOME INDICATOR(S)

Provide the indicator approved for your project and the related quantifiable result. If you have multiple outcomes and/or indicators, repeat this for each outcome/indicator.

Outcome 1, Indicator 1: Increase sales from \$51,775 to \$54,363, an increase of 5%, as a result of marketing and promotional efforts. As a result of COVID-19, anticipated sale projections were not realized. Sales declined from previous year due to a decrease in attendance. Two wineries who usually participate choose not to in 2020 resulting to 12 wineries participating. These 12 wineries featured 38 different wines and sold 1,012 bottles of wine. In addition, we expanded the Wine Pavilion to include the Tap Haus. Four different breweries participated featuring 16 craft beers. This was a new point of sale for the breweries.

Outcome 3, Indicator 3: Increase the number of wineries by 3% and the number of wines featured over last year by 5%. As a result of COVID-19, no efforts were made to solicit new wineries. In fact, the overall participation of wineries declined because of the pandemic. However, the South Dakota State Fair Wine Pavilion did expand to include the Tap Haus. Four different breweries participated featuring 16 craft beers. This was a new point of sale for the breweries. The addition of the Tap Haus was a new venue for the micro-breweries to feature their products and increased access.

DATA COLLECTION

Explain what data was collected, how it was collected, the evaluation methods used, and how the data was analyzed to derive the quantifiable indicator.

All product is inventoried at the start and end of the South Dakota State Fair by both the producer and operator including the type of product and the quantity of the product. This process provides organizers a clear form of measurement knowing exactly how many bottles of wine or kegs were sold and/or used for tasting. There is also a point of sales register. This combined information is used to evaluate and calculate sales to determine if they have increased or decreased from previous year (outcome 1). The addition of the Tap Haus was a new venue for the micro-breweries to feature their products and increased access (outcome 3).

CONTACT PERSON

Contact Person for the Project.....Peggy Besch
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FEDERAL PROJECT EXPENDITURES TO DATE

EXPENDITURES

Cost Category	Amount Approved in Budget	Actual Federal Expenditures (Federal Funds ONLY)
Personnel	\$16,500	\$17,018.67
Fringe Benefits		
Travel	\$1,000	\$1,003.16
Equipment	\$3,000	\$1,679.58
Supplies	\$4,000	\$3,459.29
Contractual	\$10,000	\$3,538.76
Other	600	\$867.94
Direct Costs Sub-Total	\$35,100	\$27,567.40
Indirect Costs		
Total Federal Costs	\$35,100	\$27,567.40

PROGRAM INCOME

Source/Nature (i.e., registration fees)	Amount Approved in Budget	Actual Amount Earned
Product sampling and wine sales		\$19,035.00
Total Program Income Earned		

ADDITIONAL INFORMATION

Provide additional information available (i.e., publications, websites, photographs) that is not applicable to any of the prior sections.

Be sure to include any documents, publications, or other attachments referenced throughout the report. If the attachments are large, the State Department of Agriculture should consider combining them as an appendix to the full report and submitting the appendix as a separate file.

Program income totaled in 2020 was \$19,035. Total expense in 2020 was \$26,935.99. Program income is applied towards expenses reducing the overall financial loss. Expenses not included in the grant include \$10,779.83 paid to wine producers for the cost of their wine at sold to us at wholesale prices.