

Project #6 State Fair

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. The completed Final Performance Report will be posted to the AMS website.

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 application and subsequent amendments.

PROJECT INFORMATION

Project Title	2020 South Dakota State Fair Wine Pavilion		
Recipient Organization Name:	South Dakota Department of Agriculture and Natural Resources, State Fair Division		
Period of Performance:	Start Date:	9/30/2019	End Date: 9/29/2022
Recipient's Project Contact			
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PERFORMANCE NARRATIVE

PROJECT BACKGROUND

Provide enough information for the reader to understand the importance or context of the project. This section may draw from the background and justification contained in the approved project proposal.

The South Dakota Department of Agriculture and Natural Resources, 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. Under this project, the State Fair Division managed and sustained wine pavilion operations to promote the South Dakota wine industry and engage more consumers. This project alleviated the risk of wine pavilion closure and offered South Dakota consumers opportunities to taste and learn about South Dakota winery, brewery, and distillery products. 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 of 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 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. In 2021, ten wine producers and eight micro-breweries participated. Sales increased 88% over 2020 to \$70,500. In 2022, thirteen wine producers featured 48 different wines and six micro-breweries who

featured 28 different craft beers. Sales increased an additional 9.04% for a total of \$76,875. In addition, three wineries and one micro-brewery was onsite to educate the public about their specific products, as well as production of the products. Both wineries and micro-brewers have expressed tremendous appreciation for the South Dakota State Fair Wine Pavilion and Tap Haus stating, “many of our customers have told us they first sampled our product at the South Dakota State Fair”.

ACTIVITIES PERFORMED

Address the below sections as they relate to the entire project's period of performance.

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	
4	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 or Impact	Relevance to Objective, Outcome, and/or Indicator
1	In 2022, A total of 13 wine producers participated in the Wine Pavilion and six micro-breweries participated in the Tap Haus. In the past three years, a total of 15 different wineries participated in the Wine Pavilion and 11 different micro-breweries participated in the Tap Haus.	Objective 1: Ensure the ongoing continued success of the South Dakota State Fair Wine Pavilion and Tap Haus at the South Dakota State Fair.
2	While visitation numbers to the Wine Pavilion and Tap Haus are difficult to measure, there was a 9.04% increase in sales from the previous year which is a strong indication there was an increase in the number of consumers who participated. 2021 sales were \$70,500; 2022 sales were \$76,865.	Objective 2: Increase the number of consumers who are exposed to and sample South Dakota wine, beer, and spirits.
3	While visitation numbers to the Wine Pavilion and Tap Haus are difficult to measure, there was a 9.04% increase in sales from the previous year,	Objective 3: Increase the exposure and name recognition for South Dakota wineries, breweries, and distilleries, thereby increasing their sales.

#	Accomplishment or Impact	Relevance to Objective, Outcome, and/or Indicator
	which is a strong indication there was an increase in the number of consumers who participated. In the past three years, a total of 15 different wineries participated in the Wine Pavilion featuring 100 different variety of wines. The sale of bottled wine increased annually with 1,012 in 2020, 1,437 in 2021, and 1,581 in 2020. Overall, 11 different micro-breweries participated in the Tap Haus featuring 45 different varieties of craft brews over the course of the 3-year project, with some duplication in each respective year. Breweries offered 16 varieties in 2020, 26 in 2021, and 28 in 2022.	
4	There was a 30% increase in the number of wineries who participated from 10 to 13, featuring a new winery that just recently opened.	Objective 4: Expand the scope of the pavilion to include more specialty producers, such as micro-breweries and distillers.
5	In 2022, three wineries and one micro-brewery were on-site to educate the public about their specific products, as well as production of the products. Since the inception of the Wine Pavilion and Tap Haus, wineries and micro-breweries are encouraged to be on-site to educate the public about their products and production. However, this has proven to be a hardship for them due to labor constraints and it is harvest time. One winery and one micro-brewery participated in 2020 but none in 2021.	Objective 5: To enhance the educational experience of those attending the South Dakota State Fair by showcasing SD wine producers, breweries and distillers.

CHALLENGES AND DEVELOPMENTS

Provide any challenges to the completion of your project or any positive developments outside of the project's original intent that you experienced during this project. Also, provide the corrective actions you took to address these issues. If you did not attain an approved objectives, outcome(s), and/or indicator(s), provide an explanation in the Corrective Actions column.

#	Challenge or Development	Corrective Action or Project Change
1	Since the onset of COVID-19, labor shortage continues to impact producers making it very difficult to be on-site during the State Fair to engage with consumers.	Continue to offer tasting notes to hand out to consumers with a brief explanation of each product. In addition, prior to the start of the State Fair, conduct a briefing with employees who are serving the products to aid with familiarity.
2	Since 2021, it is becoming increasingly difficult to find labor to manage the day-to-day operations of the South Dakota Wine Pavilion and Tap Haus.	Continue to look for ways to create efficiencies such as moving serving stations around to allow staff to work more than one station.
3	The impact of COVID-19 continued have a detrimental impact on ag producers. Due to supply and demand, several producers had to decline participation in both the Wine Pavilion and Tap Haus.	In an effort to address the supply issue, wine producers who did participate increased the variety of wines they offered to consumers. In addition, we had to seek out new breweries to participate to help fulfill the demand during the State Fair.
4	In 2020, COVID-19: PPE equipment.	Implemented procedures to mitigate the spread.

#	Challenge or Development	Corrective Action or Project Change
5	In 2020, many producers choose not to participate on-site in either the Wine Pavilion or the Tap Haus due to the threat of exposure to COVID-19.	Measures were taken to implement procedures to mitigate the spread of COVID-19. Had to solicit written materials from producers to train and educate employees about the different wines and micro-breweries so they could explain to customers.

LESSONS LEARNED

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

As South Dakota's wine and craft beer industry continues to prosper, so do the opportunities for growth for the South Dakota State Fair Wine Pavilion and Tap Haus, including expansion and diversification to feature additional South Dakota grown and made products. The challenge is ensuring adequate space to introduce more products to include storage, refrigeration, and educational exposure as to not infringe on the consumer experience and value.

CONTINUATION AND DISSEMINATION OF RESULTS (IF APPLICABLE)

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

One of the primary purposes of the South Dakota State Fair Wine Pavilion and Tap Haus is to feature the products of South Dakota wineries and micro-breweries. It continues to gain in popularity and has become a 'must stop, must experience' by many fairgoers. The wine and micro-brewers who participate continue to speak of the positive value and exposure they have experienced by participating.

The South Dakota State Fair is committed to ensuring the ongoing operations of the Wine Pavilion and the Tap Haus. Aside from SCBGP funds, the primary revenue source for the South Dakota Wine Pavilion and the Tap Haus is the sale of wine by the glass and the bottle, and the sale of craft beer. The South Dakota State Fair has also secured a sponsor for the Tap Haus and will continue to seek sponsorship opportunities for the pavilion.

BENEFICIARIES

Number of project beneficiaries: 22

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

Provide the results of the project outcome(s) and indicator(s) as approved in your application and project proposal. The results of the outcome(s) and indicator(s) will be used to evaluate the performance of the Program 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 (add more rows as needed).

#	Outcome and Indicator	Quantifiable Results
1	Enhance the competitiveness of specialty crops through increased sales. Outcome 1, Indicator 1: Increase sales from \$51,130 to \$52,664, an increase of 3%, as a result of marketing and promotional efforts.	Combined sales of wine and micro-brew increased 9.04% from the previous year; from \$70,500 to \$76,865.
2	Enhance the competitiveness of specialty crops through increased access. Outcome 3, Indicator 3.i: Increase the number of wineries by two and the number of wines featured over last year by six.	The number of wineries who participated increased from 10 to 13, including a new winery that recently opened.
3		
4		

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.

Data collected included tracking the number of wine producers and micro-brewers who participated each year, how many different wines and craft beers were featured, and total sales.

FEDERAL PROJECT EXPENDITURES

EXPENDITURES

Cost Category	Amount Approved in Budget	Actual Federal Expenditures (Federal Funds ONLY)
Personnel		
Fringe Benefits		
Travel		
Equipment		
Supplies	13,711.01	13,711.01
Contractual	8,057.08	8,057.08
Other	2,090.89	2,090.89
Direct Costs Sub-Total	23,858.98	23,858.98
Indirect Costs		

Cost Category	Amount Approved in Budget	Actual Federal Expenditures (Federal Funds ONLY)
Total Federal Costs	23,858.98	23,858.98

PROGRAM INCOME (IF APPLICABLE)

Source/Nature (i.e., registration fees)	Amount Approved in Budget	Actual Amount Earned
1. Micro-Brew Sales		39,360.00
2. Product Sampling and Wine Sales		37,515.25
3.		
Total Program Income Earned		76,875.25

Use of Program Income

Describe how the earned program income was used to further the objectives of this project.

The earned income was used to offset \$67,208.95 in operating cost expenses. \$2,599.86 was used to install a ventilation system in the building. We are currently researching the cost of adding additional taps to the micro-brew line, as well as the cost of further enhancements to the building including acoustic tiles, adding an exterior overhead door for egress to patio, and replacing a garage door and sliding door that was damaged in a storm.

ADDITIONAL INFORMATION

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