

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRSThe meeting was called to order by Representative Robert H. Miller at
Chairperson12:00 a.m./p.m. on April 24, 1985 in room 527S of the Capitol.

All members were present except:

Representative Sallee - E
Representative Roenbaugh - E

Committee staff present:

Lynda Hutfles, Secretary
Mary Torrence, Revisor of Statute's Office
Russ Mills, Research Department

Conferees appearing before the committee:

Dr. R.G. Rizza, Halstead
Jim Fair, Manhattan
Donn Harling, Topeka
Senator Harder
Tuck Duncan, Kansas Wine & Spirits Association
Reverend Taylor, Kansans for Life at its Best
John Lamb, Alcoholic Beverage Control

The meeting was called to order by Chairman Miller.

Representative Aylward made a motion, seconded by Representative Barr, to approve the minutes of the April 11 and April 13 meetings. The motion carried.Representative Long explained a proposal concerning Attica Hospital relating to the validation and approval of the issuance of bonds and made a motion, seconded by Representative Barr, to introduce the proposal as a committee bill and have it referred to the Committee of the Whole. The motion carried.

SB152 - Exemption from taxation of mobile home sales

Representative Aylward made a motion, seconded by Representative Eckert, to report SB152 favorably for passage. The motion carried.

SB341 - License and regulation of farm wineries

A bill summary was distributed to committee members.

Senator Harder explained the bill and introduced Dr. R.G. Rizza.

Dr. Rizza, Halstead, gave testimony in support of the farm wineries legislation. He distributed a folder to each committee member which included an article about growing grapes in Kansas & a review of farm winery legislation from other states. He stated that in 1983 Kansans bought two million gallons of wine and approximately \$40 million was spent by Kansans and most of this money went to grape growers and wineries in other states. See attachment A.

There was discussion about the changes needed in existing law for the small wineries to exist. Dr. Rizza stated that the annual fee of \$1100 was too high, the \$25,000 bond was also too high and at this time they are not permitted to sell directly to the retailer.

Jim Fair, Manhattan, gave testimony in support of the bill. Several years ago he invested in 55 acres of ground to raise grapes. He has \$175,000 invested in the development and improving of the land in this venture. Kansas has the soil to grow a fine quality of grape and this bill is needed to allow the small winery to operate.

Donn Harling, Topeka, gave testimony in support of the bill. He told the committee he has a test vineyard with eleven varieties of grapes and all are doing well. He says he can't justify expenses of \$5,000 in planting without this bill.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FEDERAL & STATE AFFAIRS,
room 527S, Statehouse, at 12:00 a.m./p.m. on April 24, 1985

Tuck Duncan, Kansas Wine & Spirits Association, expressed his concern about several items in the bill. Allowing the winery to sell directly to retailers will be fir first chink in tearing down the three tier system and will set a poor precedent. Many companies sell far fewer than 100,000 gallons of wine in Kansas. We need some bond requirement (you don't have to post a surety bond, you can go with a certificate of deposit) Mr. Duncan did not feel the \$100 fee was enough. He also felt the residency requirements should be consistent with those in the bill which was passed this session (HB2067).

Reverend Taylor, Kansans for Life at It's Best, gave testimony in opposition to the bill.

John Lamb, ABC, stated several concerns he had with the bill. He also felt that changes in the new liquor laws concerning residency should be consistent in this bill. Mr. Lamb was not opposed to lowering the fee, but \$100 is too low - should cover state, licensing and investigation costs. \$200-\$250 would be a better fee. Residency requirements need to be changed to be consistent with the new liquor legislation.

Hearings were concluded on SB341.

There was discussion on how much wine can be made from an acre of ground. Approximately 4.3 tons of grapes per acre and roughly 1300 gallons of wine.

Representative Sughrue made a motion, seconded by Representative Grotewiel, to delete the new language in Section 1 subsec. (g), in order to make the penalty consistent with the manufacturer's license. The motion carried.

Representative Hensley made a motion, seconded by Representative Gjerstad, to strike "to licensed retailers" in line 28. The motion lost.

Representative Eckert made a motion, seconded by Representative Goosen, to change the annual fee from \$1100 to \$250. The motion carried.

Representative Long made a motion, seconded by Representative Eckert, to change on line 39, "100,000" to "50,000". The motion carried.

Representative Long made a motion, seconded by Representative Grotewiel, to change the residency requirements to two years and four years to be consistent with the new liquor legislation. The motion carried.

Representative Eckert made a motion to delte subparagraph 6 & 7 in Subsection 3. The motion died for lack of a second.

There was discussion on the zoning section. Dr. Rizza told the committee that an environmental impact study must be done before a federal license is granted.

John Lamb explained what posting means. (Distributors have to post a price in the ABC office for the wine or liquor which will be sold at that particular price for the month) This bill exempts the farm wineries from this practice.

Representative Grotewiel made a motion, seconded by Representative Eckert, to report SB341 favorably as amended. The motion carried.

The Chairman announced that there could possibly be another meeting to discuss technical cleanup amendments on the liquor issues.

The meeting was adjourned.

HOUSE BILL NO. _____

By Committee on Federal and State Affairs

AN ACT concerning the Attica Hospital District No. 1 of Harper county, Kansas; and relating to the validation and approval of the issuance of bonds.

Be it enacted by the Legislature of the State of Kansas:

Section 1. Any election held prior to the effective date of this act for the approval of the issuance of general obligation bonds of Attica Hospital District No. 1 of Harper county, Kansas, in an amount not to exceed \$1,300,000 for the purpose of enlarging and improving the extended care unit of the District's hospital located in Attica, Kansas, under the authority of K.S.A. 80-2501, et seq., notice of which was first published 18 days prior to the election instead of 21 days prior to the election is hereby validated. The District is hereby authorized to issue such bonds in the amount and for the purpose approved by the voters at such election. The bonds so issued shall be legal and binding general obligations of the District.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

THE
VINIFERA WINE GROWERS
JOURNAL

*Key To Cold Survival: Management
How Burgundy Makes Chardonnay
The Whiskey Rebellion
Grapes In Kansas? Really?*

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NO. 4

Writing The Viticulture - Enology Book

WINTER 1984

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THE PLAINS, VA. 22171

4/24/85
Attach
A

Grapes In Kansas? Really!*

By Bernard Martin

Led by far-sighted entrepreneurs like Dr. R. G. Rizza, M.D., Halstead, Kansas (316) 835-2827, and James G. Fair, Manhattan, Kansas (913) 537-2436, the wheat state is finding a hospitable environment for the premium wine vines. In AD 100 Roman Emperor Domitian found that vineyards were more profitable than land planted in wheat. Italy had been a net exporter of bread grains but was being forced to import wheat! See "The Role of Wine in Social History" this issue.—Ed.

As unlikely as it would seem, grapes are growing in sunny Kansas. The fruit of the vine growing in the breadbasket of the world is truly a coming together of the grape and grain of Biblical times, intermingled with cattle grazing, and the oil well of the modern era, although oil has its roots as fossil fuel much further back in time.

About 40 miles northwest of Wichita, near the quaint plains town of Halstead, is the Vilarizza Vineyard. A short distance to the east lie the Flint Hills, an area noted for its superb bluestem grasslands with herds of grazing cattle, and attracting considerable tourist attention because of its scenic aspects. Just beyond Manhattan, the northern anchor of the Flint Hills, a vineyard is growing on the glacia—deposited soil of the region, on high ground overlooking the Kansas River Valley.

In the southeast corner of the

state, north of Pittsburg, a vineyard has sprung up in an area known for coal mining, in addition to wheat farming. The owners of these vineyards are a doctor, a business owner and an engineer. All three are members of the Missouri Grape Growers Association, and their vineyards are eight to 10 acres or more in size, with more planned. While there are a number of smaller vineyards, and a larger one near Topeka, the balance of this article will dwell on the three.

The Wellington-McPherson lowlands meet the Arkansas River Valley near Halstead. The soil is permeable sand and gravel. The high quality water of the Equus waterbed underlies this area at not too great a depth. The owners of 40 acres of farmland on which the vineyard is planted are Dr. and Mrs. R. G. Rizza. Originally from Savannah, GA, the Rizzas settled in Halstead when Dr. Rizza joined the staff of the Hertschler Clinic. He currently conducts his medical practice in pediatrics out of his home, thus also enabling him to keep a watchful eye of the vineyard, which he does by riding through the vineyard on a golf cart.

*"From The Grapevine", Vol. 2, No. 3, October 1984, Newsletter of the Missouri Grape Growers' Association, Rt. 2, Box 200, St. James, Missouri 65559, (314) 265-7847, Miss Phyllis Meagher, president.

VINES DOING WELL

Dr. Rizza states that growing of grapes came about after other ventures for production use of the land were unsuccessful, and 40 acres was not really sufficient acreage to grow wheat. So now 10 acres are planted and have been producing well. Five acres are in Baco, four in Niagara and one in Fredonia. More acreage is to be planted in the next three years, to include Seyval, Vidal, and Dechaunac.

With consistent availability of underground water, drip irrigation is being utilized. The vineyard is trellised on Geneva double curtain with 12 foot row spacing and eight foot vine spacing.

The grapes are sold to area customers, but it is not unusual for buyers to come long distances, as in the case of one family coming all the way from Dodge City to pick a station wagon full of grapes.

Dr. Rizza stated a winery may be in the future plans, but only when grape production is available to support it, and the chemistry and testing aspects of wine production can be fully implemented. Dr. Rizza was the prime mover in the passing of Kansas Farm Winery Legislation.

About 10 miles east of Manhattan, just off U.S. 24, Jim Fair has 55 acres. The farm is on the high ground overlooking the Kansas River Valley. Twenty acres are planted in grapes which include Cayuga White, Buffalo, Sudan, Ventura, Niagara, and several French hybrid varieties in a test plot. Future plantings are planned for French hybrid varieties.

Jim, a lifelong resident of the

area, said his interest in grapes started with a vine he was growing in the backyard. As the interest grew, he turned his mechanical contracting business over to his sons and took the great leap to serious grape growing. Earlier this year Alice King, a Hort. major from KSU, assumed the duties of vineyard manager.

The soil structure is a permeable loam with a clay layer at a two to three foot depth. Water is essential and a drip system is in operation. The vines are trellised on a single cordon with eight foot vine spacing. The trellis posts are of eastern red cedar which grows abundantly in this area.

The drought of 1983 resulted in the loss of 10 acres of vines. These will be replaced with French hybrid cultivars. This year Cayuga white produced a crop. Marketing of grapes will target on the pick your own trade, until the winery which Jim envisions for the future becomes a reality.

RECLAIMED LAND USED

In the southeast part of the state, located in the Cherokee lowlands, in an area where strip and deep shaft mining of coal is the primary activity, an eight and one-half acre vineyard appeared about 13 years ago. Part of the vineyard is on reclaimed land, with the source of water for irrigation from adjacent strip pits, as well as nearby ponds. The soil is parsons loam silt with a hard pan layer running two to three feet below the surface. The vineyard is trellised on Geneva double curtain with wolverine crossarms. Three acres each are planted with

Vidal and Baco, one acre each of Dechaunac and Seyval, and one-half acre in Catawba. With 160 acres available, additional French hybrid cultivars are to be planted.

John Zibert is a lifelong resident of the area, employed as an engineer for McNally, a coal washing equipment manufacturer in Pittsburg. John says the whole family enthusiastically participates in the vineyard venture.

With the recent passing of the Kansas Farm Winery Legislation,

John has serious thoughts about making the leap from amateur to professional and is already formulating plans for a winery.

In conclusion, with the passing of the farm winery legislation, even with its drawback of a \$1,100 annual fee, Kansas grape growing may be on the brink of expansion. No one can argue about the availability of sun in Kansas, and where there is water, the grape vine may be saying "Hey wheat, please move over a little."

American Wine Exposition in Dallas Feb. 8-10

The 2nd Annual American Wine Exposition will be held in Dallas, Texas at the Hyatt Regency Hotel, February 8-10, 1985, tel. (214) 528-3103. Billed as the only major wine convention featuring American wines exclusively, open to all U.S. wineries, the 1983 Exposition attracted 1300 participants from 30 states and prominent speakers from the industry.

Small Winery Legislation

Following are provisions in state laws made (in most cases) specifically for small or 'limited' wineries, generally offering certain privileges in exchange for certain limitations placed on the operation.

Alabama

Production: Native Farm Winery may not exceed 100,000 gallons annually. At least 75 percent of the fruit or produce used must be grown or produced in Alabama by the winery on land owned or leased in the vicinity of the winery. In cases of crop failure ("act of God"), winery may petition to import such produce. Alcohol content may not exceed 14 percent.

Annual license fee: \$25

Distribution: Wholesale and retail sales. Tasting on premise.

Tax: 5¢ per gallon. Wine sold outside Alabama exempt.

Arkansas

Production: At least 50 percent of fruit or produce used by Native Winery must be grown in Arkansas.

Annual license fee: \$1 per thousand gallons up to 5,000 gallons annual production. \$250 for production over 5,000 gallons.

Distribution: Sale to wholesalers, retailers and consumers on premise for on- or off-premise consumption. Tastings on premise.

Tax: 5¢ per gallon production tax on Native Wine plus 3% alcoholic beverage excise tax. Wholesalers of Native Wine exempt from 75¢ per gallon tax on foreign wines.

Colorado

Production: Limited Winery must use at least 75 percent Colorado-grown products and may not exceed 100,000 gallons annual production.

Annual license fee: \$25 (regular wine producers fee \$250)

Distribution: Sales to wholesalers, retailers and consumers on premise for on- or off-premise consumption. Tasting on premise.

Tax: .7¢ per liter (7.33¢ per liter on other wines)

Connecticut

Production: Farm Winery may not exceed 75,000 gallons annually. Winery must grow an average fruit crop equal to at least 51 percent of total fruit used for wine production, the average crop being computed as the average of the two largest yields in the preceding five years. (During first seven years of production, the average crop is established as 3 tons of grapes per acre of vineyard operated.)

Annual license fee: \$240

Distribution: Sales to wholesalers, direct to retailers, and retail for off-premise consumption. Tasting on premise.

Florida

Production: One hundred percent of fruit or fruit concentrates used must be grown

(and concentrated) in Florida. No limit on production.

Annual license fee: \$50

Distribution: Wholesale and retail (with additional distributor's license, \$50 per premise) for off-premise consumption. Tasting on premise with distributor's license.

Tax: Farm winery production exempt from state excise tax.

Georgia

Production: Domestic Winery may not exceed 378,000 liters annually. At least 40 percent of agricultural products used must be grown in Georgia.

Annual license fee: \$50

Distribution: Sales to wholesalers and retail for off-premise consumption. Direct wholesaling and extensions of premise for retail sales prohibited.

Indiana

Production: Small Winery may not exceed 100,000 gallons annually. All grapes, other fruit or honey used must be grown in Indiana. In case of crop shortages, winery can petition to import produce.

Annual license fee: \$250

Distribution: Sales to wholesalers, direct to retailers, and retail for on- or off-premise consumption. Tasting on premise.

Kansas

Production: Domestic Wine (receiving reduced taxation) must be produced from Kansas-grown agricultural products. No limit on Farm Winery annual production.

Annual license fee: \$1,100

Distribution: Sales to wholesalers and retailers on premise (for off-premise consumption). No tasting on premise.

Tax: 15¢ per gallon on Domestic Wine (30¢ per gallon on other wines)

Maryland

Production: All agricultural products used by a Limited Winery must be grown or produced in Maryland unless the secretary of agriculture determines that a crop shortage exists. No limit on production.

Annual license fee: \$50 (regular wine producer's fee \$500)

Distribution: Sales wholesale and retail (table wine only, limit one quart per customer) for off-premise consumption. Retail sales can exceed the one quart limit in Carroll, Montgomery and Washington Counties (county option) with retail license (\$50). No tasting or on-premise consumption.

Tax: Maryland-grown wine from Limited Wineries receives reduced tax rate of 2¢ per gallon (40¢ per gallon on other wines.)

Massachusetts

Production: Unlimited quantity of grapes, other fruit or juice (no wine) may be imported for Farmer Winery production. No requirements on use of Massachusetts-grown products or on production level.

Annual license fee: Up to 5,000 gallons, \$22; 5,000 - 20,000 gallons, \$44;

20,000 - 100,000 gallons, \$82; 100,000 - 1 million gallons, \$110; for each additional million gallons, \$111.

Distribution: Sales to wholesalers, direct to retailers, other wineries (bulk), educational institutions, hospitals, churches, food and drug manufacturers, and retail for off-premise consumption (including Sundays). Tasting on premise.

Michigan

Production: Small Winemaker may not exceed 50,000 gallons annually (the only requirement for reduced license fee). At least 75 percent of fruit, etc. used must be grown in Michigan to qualify for reduced excise tax (applies to small and large wineries).

Annual license fee: \$250 (regular wine producer's fee \$1,000)

Distribution: Sales to wholesalers and direct to retailers. Retail sales with a restaurant or off-premise license. Tasting on premise. Retail sales and tasting permitted at one extension of premise for additional fee of \$100. All these provisions apply to small and large wineries.

Tax: 1¢ per liter on wine produced from fruit, etc. at least 75 percent of which was grown in Michigan (applies to all Michigan wineries).

Minnesota

Production: Farm Winery may not exceed 50,000 gallons annually. Winery operator must be a farm owner. Majority of grapes, other fruit or honey used must be grown or produced in Minnesota. In case of crop shortage, winery may petition to import a higher proportion of produce.

Annual license fee: \$25

Distribution: Sales to wholesalers, direct to retailers, and retail on premise. Tasting on premise.

Tax: 4¢ per liter under 14 percent alcohol; 13¢ per liter over 14 percent.

Mississippi

Production: Native Wine must be produced primarily (at least 51 percent) from grapes, other fruit or vegetables grown in Mississippi and may not exceed 21 percent alcohol. If sufficient Mississippi-grown produce is proven unavailable, a greater proportion of out-of-state produce or wine may be used during a 3-year grace period provided the winery has planted sufficient acreage to meet the 51 percent requirement. No limit on production.

Annual license fee: \$10 for each 10,000 gallons (or part thereof) produced.

Distribution: Sales to state wholesale commission, direct to retailers, and retail for on- or off-premise consumption. Tasting on premise.

Tax: 5¢ per gallon (wine sold out of state or poured in winery tasting room exempt).

Miscellaneous: Native Wineries may advertise their products (advertising of all other alcohol beverages is prohibited).

Missouri

Production: Domestic Winery may not exceed 500,000 gallons annually. At least

85 percent of grapes or other fruit used (computed as percentage of previous year's production) must be grown in Missouri. In case of crop shortage, winery can petition the director of agriculture to increase the import allowance.

Annual license fee: \$5 for each 500 gallons produced.

Distribution: Sales to wholesalers, direct to retailers (with wholesale license), and retail for off-premise consumption (including Sundays). Tasting on premise.

New Hampshire

Production: Domestic Winery may not exceed 50,000 gallons annually. No restrictions on use of out-of-state fruit, juice or wine for blending with New Hampshire-grown fruit or wine.

Annual license fee: \$750

Distribution: Wholesale, and retail sales on premise for off-premise consumption. Tasting on premise.

Miscellaneous: Domestic Wineries exempt from State Liquor Commission restrictions on wine advertising.

New Jersey

Production: Farm Winery may not exceed 50,000 gallons annually. All grapes or other fruit used must be grown in New Jersey. Winery must be located on at least a 3-acre tract of land with at least 1,200 grapevines under cultivation.

Annual license fee: Up to 1,000 gallons, \$50; 1,000 - 2,500 gallons, \$100; 2,500 - 50,000 gallons, \$200.

Distribution: Sales to wholesalers, retailers, consumers on premise, and via parcel delivery service (additional \$150 license) within NJ.

Tax: 10¢ per gallon.

New Mexico

Production: All grapes, other fruit, agricultural produce or honey used must be grown or produced on a farm owned or leased by the Grower Permit holder.

Annual license fee: none

Distribution: Sales to wholesalers, direct to retailers, and retail for off-premise consumption. No tasting on premise.

Tax: Exempt from state wine excise tax.

New York

Production: Farm Winery may not exceed 50,000 gallons annually. All grapes, other fruit or agricultural products used must be grown in New York State.

Annual license fee: \$125

Distribution: Sales to wholesalers, direct to retailers, bulk to other wineries or distillers, and retail for off-premise consumption (including Sundays). One additional retail sales outlet (extension of premise) and parcel delivery is permitted. Tasting on premise.

North Carolina

Production: Wine produced principally from grapes or other fruit grown in North Carolina enjoys reduced taxation. No special distinctions made for small wineries.

Annual license fee: \$100 (additional \$100 for fortified wine production)

Distribution: Sales to wholesalers and retail on premise. Tasting on premise.

Tax: 5¢ per gallon on wine produced principally from grapes or other fruit grown in North Carolina.

Ohio

Production: May not exceed 500,000 gallons annually.

Annual license fee: \$25 for each 5,000 gallons produced, or part thereof

Distribution: Sales to wholesalers and retail for on- or off-premise consumption. No tasting on premise.

Tax: 1¢ per gallon to Grape Industries Fund. Exempt from state wine excise tax.

Pennsylvania

Production: Limited Winery may not exceed 100,000 gallons annually. All fruit used must be grown in Pennsylvania.

Annual license fee: \$275; plus \$50 per extension of premise.

Distribution: Sales to Liquor Control Board, other wineries (in bulk), hotels, restaurants, licensed clubs. Retail at the winery, at up to three extensions of premise, and via parcel delivery service. Tasting on premise.

Rhode Island

Production: Farmer Winery may not exceed 50,000 gallons annually. Restricted use of out-of-state fruit or produce is graduated during initial years of operation: winery may import fruit, etc. to produce up to 7,500 gallons of wine in first year of production, up to 5,000 gallons in second year, up to 2,500 gallons in year three, and not more than 1,000 gallons each year thereafter. In case of crop failure such that production falls at least 25 percent below average production for the preceding 2 years, winery may buy out-of-state fruit to bring production up to the average level. Import of juice or wine prohibited.

Annual license fee: \$100 (regular wine producer's fee \$1,000)

Distribution: Sales to wholesalers, direct to retailers, other Farmer Wineries (in bulk), and retail on premise. Tasting on premise.

South Carolina

Production: Only grapes, other fruit or agricultural products grown on property owned by the license holder may be used to qualify for reduced license fee.

Annual license fee: \$5 (regular wine producer's fee \$100)

Distribution: Sales to wholesalers and retail for on- or off-premise consumption (applies to all wineries). Tasting on premise.

Tennessee

Production: At least 85 percent of agricultural products used must be produced in Tennessee to qualify wine for tax benefits and on-premise retail and tasting. Limitation to 15% out-of-state produce may be exceeded if the Alcoholic

Notes:

Beverage Commission and state Department of Agriculture declare TN products unavailable due to "an act of God."

Annual license fee: \$50

Distribution: Sales to wholesalers and bulk between TN wineries. Retail sales on premise to consumers (for off-premise consumption) limited to a maximum of 15,000 gallons or 20% of annual production, whichever is greater. Limit on sales to consumers of 5 cases per customer per day. Tasting on premise.

Tax: 5¢ per gallon. (\$1.10 per gallon on other wines).

Texas

Three classes of winery licenses (including Farm Winery) were consolidated into uniform winery regulations in 1979. No restrictions on production.

Annual license fee: \$75

Distribution: Sales to wholesalers, other Texas wineries and bottlers (in bulk), retailers, and retail on premise if winery is in wet area. Tasting on premise.

Virginia

Production: At least 75 percent of grapes, other fruit, juice or other agricultural products used by a Farm Winery must be grown or produced in Virginia. In case of crop shortage, winery may petition department of agriculture to increase proportion of out-of-state produce. No limit on production.

Annual license fee: \$100

Distribution: Sales to the State Alcoholic Beverage Control Commission, wholesalers, direct to retailers, and retail for on- and off-premise consumption. One additional sales outlet (extension of premise) permitted. Tasting on premise.

Tax: Exempt from state excise tax.

West Virginia

Production: May not exceed 50,000 gallons annually. At least 25 percent of grapes, other fruit or honey used must be grown or produced on the Farm Winery premise and no more than 25 percent may be imported from outside the state. In case of crop shortage due to adverse conditions, winery may petition to import more out-of-state produce.

Annual license fee: \$50 (regular wine producer's fee \$250)

Distribution: Sales to state alcoholic beverage control commission, wholesalers, direct to retailers, and retail on premise. Tasting on premise.

Wisconsin

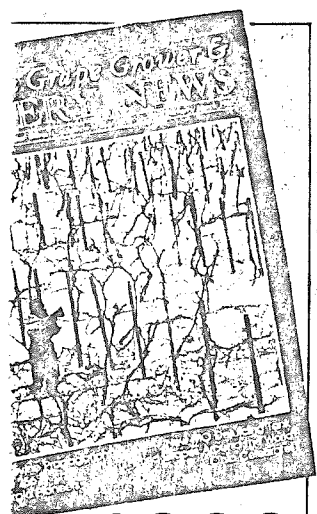
No small winery legislation.

Annual license fee: \$100

Distribution: Sales to wholesalers. Separate license to sell retail on premise. Tasting on premise.

kins-Cortland Community
 Dryden, NY, institutes the
 first degree program in wine
 sing.
 Chimneys Farm Winery in
 NY, releases the East's first
 organically grown grapes.
 Teca Lake, Wickham
 prepares for its first crush.
 Maryland Grape Growers
 elects its first slate of
 ily Seedless table grape is
 on the Geneva Station
 program.

R/NOVEMBER
 York wine grape growers
 approve a marketing order that
 ss all growers one percent
 les to processors for
 land market research and
 of NY State wine.
 ew, quarter-million-gallon
 ury in southwestern
 leases its first wines: four
 ybrid and vinifera varieties.



1982

Y/MARCH
 ate Wine Grape Growers
 research and promotion
 ended by the state's new
 order with an initial budget
 0. Taylor Wine Co. and
 pe growers contest the
 order in court.
 celebrates a new law
 ise taxes on Ohio-grow
 funding a research and
 program with revenues
 ing \$350,000 per year.

Y
 sas Agricultural
 t Station breeding program

releases its first grape variety: the
 Venus seedless table grape.

JUNE/JULY

- Missouri grape growers establish a trade association.
- U.S. Bureau of Alcohol, Tobacco & Firearms forms an advisory committee to standardize and regulate the use of varietal grape names on wine labels.
- Plane's Cayuga Vineyards releases its first wines: Cayuga, Rose, Chancellor and Chardonnay.
- First de-alcoholized wine appears on the U.S. market from Italy.

AUGUST/SEPTEMBER

- NY Supreme Court ruling nullifies the state's wine grape marketing order because of "illegal manner in which it was adopted."
- A group of Widmer's Wine Cellars managers buys the winery from the R. T. French Co.
- Wine grape growers from 8 states assemble in Washington to discuss and lobby for trade, tariff and tax relief.

OCTOBER/NOVEMBER

- The Geneva (NY) Experiment Station breeding program releases a new wine grape, sister seedling of Cayuga White: named Horizon.
- Two Long Island grape growers break ground for the island's second winery: Bridgehampton.
- The half-million-gallon Chateau Elan winery project is announced in Braselton, Georgia.
- North American and European viticulturists hammer out virus-testing standards that will substantially deregulate the importation of grapevines and propagation material.



1983

APRIL/MAY

- Georgia and Kansas enact Farm

Winery Laws.

AUGUST/SEPTEMBER

- Two French wine firms join a consortium that will work with the University of Texas to develop a west Texas wine industry, including plans for a 1.5-million-gallon winery.
- Missouri institutes a wine excise tax surcharge to fund research and promotion of MO-grown grapes and grape products.
- Growth in wine sales in the U.S. slowed dramatically to 2.6% in 1982 vs. 6.7% in 1981.

□ Charles Fournier, eastern wine pioneer at Gold Seal Vineyards, dies at age 80.

□ Arkansas Experiment Station breeding program releases the Reliance table grape.

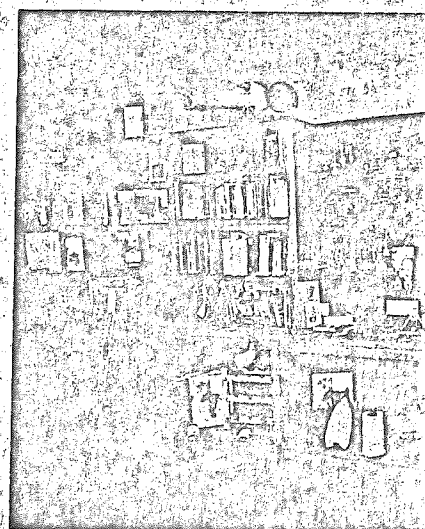
OCTOBER/NOVEMBER

- Joseph E. Seagram & Sons buys the Wine Spectrum from Coca-Cola Co. for something over \$200 million.
- Horticultural Research Institute of Ontario releases two new cultivars: Vivant white wine grape and Vanéssa Seedless table grape.

DECEMBER/JANUARY

□ Bardenheier's Wine Cellars of Missouri is sold after 110 years and four generations as a family business.

WHOLESALE V
 "35 Year



VISIT OUR

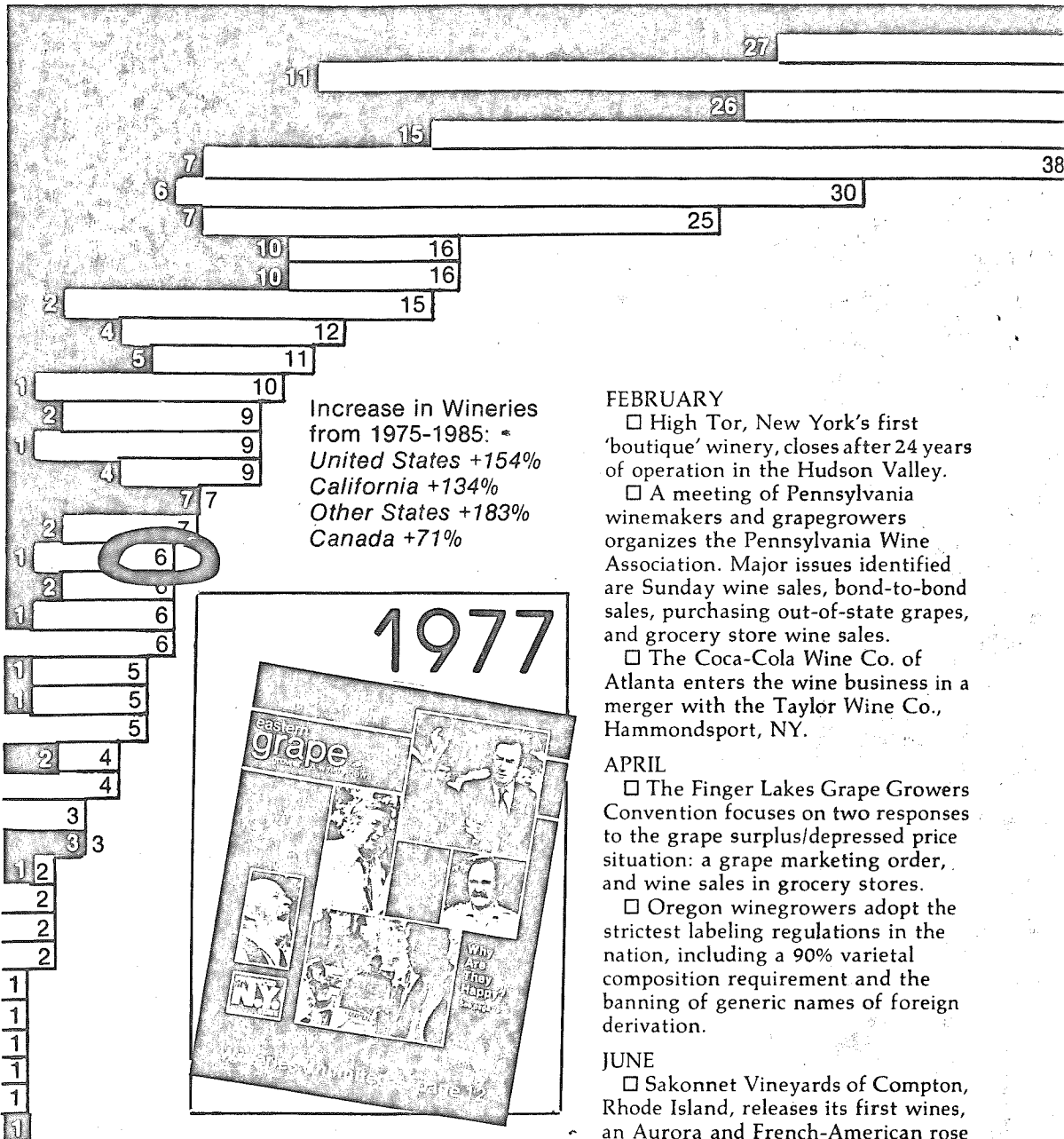
- Merchandise
- Phone orders
- Toll free in C



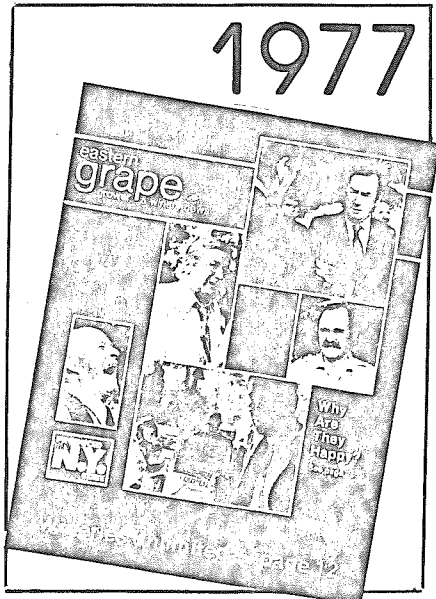
The Wine & Spirits Co.
 155 Connecticut Street

States and provinces ranked in order of their number of wine producers in 1985. White bars show current number of wineries. Grey bars show the number of wineries in the year *Eastern Grape Grower* began publication: 1975.

1. California
2. New York
3. Pennsylvania
4. Ohio
5. Oregon
6. Washington
7. Virginia
8. Missouri
9. Michigan
10. Iowa
11. Texas
12. New Jersey
13. Wisconsin
14. New Mexico
15. Maryland
16. Connecticut
17. Indiana
18. Arkansas
19. Florida
20. Georgia
21. North Carolina
22. Idaho
23. Tennessee
24. South Carolina
25. Massachusetts
26. Mississippi
27. Rhode Island
28. West Virginia
29. Minnesota
30. Illinois
31. Oklahoma
32. Arizona
33. Colorado
34. Alabama
35. Maine
36. Kentucky
37. Delaware
38. Utah
39. Hawaii
40. Alaska



Increase in Wineries from 1975-1985: *
 United States +154%
 California +134%
 Other States +183%
 Canada +71%

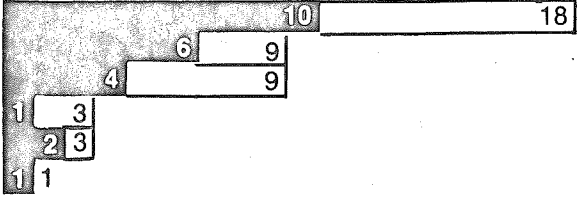


- FEBRUARY**
- High Tor, New York's first 'boutique' winery, closes after 24 years of operation in the Hudson Valley.
 - A meeting of Pennsylvania winemakers and grapegrowers organizes the Pennsylvania Wine Association. Major issues identified are Sunday wine sales, bond-to-bond sales, purchasing out-of-state grapes, and grocery store wine sales.
 - The Coca-Cola Wine Co. of Atlanta enters the wine business in a merger with the Taylor Wine Co., Hammondsport, NY.
- APRIL**
- The Finger Lakes Grape Growers Convention focuses on two responses to the grape surplus/depressed price situation: a grape marketing order, and wine sales in grocery stores.
 - Oregon winegrowers adopt the strictest labeling regulations in the nation, including a 90% varietal composition requirement and the banning of generic names of foreign derivation.
- JUNE**
- Sakonnet Vineyards of Compton, Rhode Island, releases its first wines, an Aurora and French-American rose blend.
 - Tennessee enacts a Limited Winery Law setting a low license fee but placing restrictions on direct sales to placate wholesalers.
- AUGUST**
- The Taylor Wine Co. files suit

UNITED STATES



1. Ontario
2. Brit Columbia
3. Quebec
4. Nova Scotia
5. Alberta
6. New Brunswick



CANADA



The Twenty-First Amendment, which repealed Prohibition, at the same time placed control of alcoholic beverage sales and distribution in the hands of the individual states. Now 18 states have made distribution and retail sales of alcohol a state run monopoly. The other 32 states have adopted a system which allows private firms to operate production facilities, distribution, and sales under state licensing.

This has led to the three tier system now in operation in New York. The tiers are the producer, whether in New York or out of state, the wholesale distributor, and the wine and liquor retailer. The original motivation for the system was a desire to preclude suppliers (producers) from dealing directly with retailers, the situation which had prevailed before Prohibition. This was accomplished by making it mandatory for a wholesaler to act as an intermediary between supplier and retailer.

Along with 10 other states New York has modified the three tier system. New York suppliers are permitted to hold wholesaler licenses, allowing them to deal directly with retailers. As a result, New York small wineries have three options open to them for distribution. They can sell through a wholesaler, they can themselves act as the wholesaler and sell directly to liquor stores and restaurants, or they can sell to the public at the winery. A fourth but less significant channel allows for the distribution of wine to private customers by carrier on a retail mail order basis, within New York.

Marketing Channel Use

The results of this study show that a number of combinations of sales channels are used and in addition there is great variation in the proportion of wine supplied to each channel. The size of the winery does appear to play a significant role in determining which market channels are used and in what combination. The smaller the winery, the more likely it is that the majority of wine will be retailed at the winery. This is a recognition that wide distribution of limited quantities of wine can be uneconomical, particularly if the unit price is low. Sales at the winery also provide the opportunity for family involvement in the sales and marketing process. The fact that a higher proportion of wine can be sold in this way does not necessarily imply that sales from the winery will be the

Small Winery Marketing

A Cornell University study of marketing channels and their use by New York State's small wineries

by Richard Cooper

most profitable. Overhead costs may be high in terms of both staffing and the provision of adequate facilities for wine tasting.

Size of production is clearly not the only factor that determines the use of, and allocation to, market channels. Other factors either singly or in combination influence allocation. The location of the winery, the grape variety-quality-price relationship and the operator's personal preference all help to determine how the distribution channels are used. Because they tend to be interrelated it is difficult to generalize on the combination of factors that results in the observed use of market channels.

Location close to a substantial population center or within a recognized tourist area, given a site that is easily accessible from main highways, is likely to increase the viability of sales at retail from the winery. Less favorable locations may result in the use of wholesalers as a means of reaching distant markets.

The price per bottle, the wine type and the perceived quality of the wine are also seen as affecting the choice of marketing channel. Winery operators producing higher priced varietal wines, particularly viniferas, appear to put greater emphasis on direct supply to liquor stores and the use of wholesale distributors in order to reach a wider, more discriminating audience.

Overlying all the above are the personal preferences of the winery operator. His interest in becoming involved with sales himself, and the availability of staff to perform the sales function may significantly affect the distribution channels that he chooses.

The chart indicates the different channel use according to different size groups. In general, larger wineries sold a smaller proportion of their wine at the winery, and a larger proportion through wholesalers. Proportion of sales direct to liquor stores was highest for the 10,000 -

AVERAGE ALLOCATIONS OF PRODUCTION BETWEEN MARKET CHANNELS BY SIZE GROUP
21 New York Small Wineries, 1979

	Under 10,000 Gallons	10,000- 29,999 Gallons	30,000- 200,000 Gallons	All Small Wineries
	percent			
Retail at winery	59	25	32	33
Via wholesaler	6	7	17	15
Direct to retailer	32	61	49	49
Via mail order	3	7	2	3
Total	100	100	100	100

used in tastings varied from less than 1 percent of total production to slightly under 10 percent. While the range appears wide and the figure of 10 percent surprisingly high, there is considerable agreement between respondents on the average quantity of wine used per visitor in tastings. Based on estimates of the number of visitors and number of cases used, 8 out of 10 wineries answering this section of the questionnaire gave an average of between 1/6 and 1/4 of a bottle per person.

The marginal cost of marketing (the cost associated with marketing each additional unit of wine) could not be measured, but it is assumed that costs would follow a normal U-shaped curve. This suggests that the marketing costs per unit of wine sold fall over some volume of sales as this volume rises, but that having reached a minimum, costs per unit then begin to rise. As the winery tries to attract more visitors and increases its sales volume then increased numbers of staff and amounts of management time will be required. Probably as important will be the cost of advertising and promotion at the margin, as it becomes more and more difficult to raise the number of visitors coming to the winery. For example, classified advertisements in local papers might have to be replaced by half pages or the use of radio advertising.

Despite the fact that for each winery there will be an optimum level for sales through this channel, a number of factors may influence the operator's decision to sell below or above the optimum volume. He may sell less than the optimum volume in situations where the winery has yet to reach full capacity, or alternatively the operator, in order to achieve economies in other markets, may be forced to divert some sales from the winery to other outlets.

Sales to Retail Stores

Not in every case were sales from the winery encouraged. Some operators put more emphasis on sales to liquor stores as the most effective means of reaching the customer groups they had identified. These operators generally felt that the tourist customer business was not compatible with the type of wines being produced. In these cases, small quantities of a limited range of varietal wines were usually being produced. The high per bottle prices reflected the perception of high quality. In the future, this approach may be more widely adopted as a labor saving marketing technique by

NUMBER OF LIQUOR STORES SERVED
21 New York Small Wineries, 1980

Size Group (gallons)	Number of Wineries	Average Number of Outlets Per Winery	Average Number of Cases Per Outlet
Under 10,000	7	20	21
10,000 - 29,999	8	170	23
30,000 - 200,000	6	291	62

part-time operators and by those positioning their wines at the top end of the New York wine price range.

For most wineries either existing or entering, the more common approach was a mix between retail sales at the winery and direct sales to liquor stores. Although sales to liquor stores may only account for a small proportion of total sales in the initial stages of development, they may provide a relatively secure outlet during the period in which the winery is becoming established.

The most significant cost in the supply of wine to liquor stores (compared to sales at retail from the winery) is the loss of margin. While wine retailed at the winery sells for the full retail price, sales by the winery direct to liquor stores are made at the retail price discounted by 33 percent. Despite this loss in margin, this sales channel is widely used by small wineries.

The chart shows that the average number of liquor stores served and the average number of cases supplied to each for the three size groups differs. The wineries in the largest size group appeared to sell over 2-1/2 times as many cases through their liquor store outlets as the two smaller size groups. Increased opportunities to reach the best liquor stores and improved sales techniques may result in economies in distribution for the larger wineries.

Some liquor stores collected their requirements from the winery, but the more usual situation was for the winery to arrange delivery. Cost and size of vehicle required, the distance to population centers and the availability of labor limit the extent to which direct supply can be developed. The possibility of widening the geographic catchment area and increasing the potential number of consumers makes it feasible to target sales at specific sectors of urban and suburban populations. A small number of stores could be selected to carry the wine on an exclusive basis, and this approach might be adopted in cases

where the store is recognized as a specialist wine retailer.

As well as liquor stores, restaurants are becoming an increasingly important outlet for wines of small wineries. Not only is the volume of sale considered a useful supplement to sales through the other channels, but the opportunity for repeat sales at the winery or liquor store as a result of exposure in restaurants is also important.

Sales Through Wholesale Distributors

Only eight out of the original sample of 21 wineries marketed their wines through wholesale distributors. Wineries in all three size categories were represented among those that used this channel. There was no statistical evidence that the use of distributors was influenced by the size of the winery and clearly a number of other factors such as location, wine pricing policies and wine varieties were important considerations. No more than 6 wholesalers per winery were being used by the wineries interviewed and in the majority of cases, only one or two. Usually these wholesalers operated in markets that did not overlap each other. They are also likely to be separate from the direct supply sales area of the winery itself.

The major cost associated with sales through this channel is the significant discount given to the wholesaler. Usually this is 50 percent of the retail price. In part, this explains why the use of this channel is quite limited particularly among those wineries where there are good opportunities for retail sales at the winery. There are few additional costs apart from management time, which is probably lower for this channel than for any other discussed above. In some cases, there will be costs of transport from the winery to the wholesaler's facility. Both management time and transportation are regarded as variable costs.

Despite the loss of margin, the wineries interviewed, including those



VINIFERA WINE GROWERS ASSOCIATION

BOX P
THE PLAINS, VIRGINIA 22171

NEWS

(703) 754-8564

December 2, 1982

GROSSING \$27,000 ON ONE ACRE OF PREMIUM WINE VINEYARD

Farmers with small acreage in many parts of the Nation may gross as high as \$27,000 per acre by planting the European varietal table wine vines and making the wine.

In 1975, the Bulletin of the Virginia Department of Agriculture estimated that \$10,800 could be grossed on an acre of hill land. Today, as table wine markets go steadily upward and vinicultural science advances, the gross in reality can be more than triple that amount.

However, farmers must wait several years for the vines to mature and the wine to age a year before the first income is realized, according to a report by the Vinifera Wine Growers Association, Box P, The Plains, Va. 22171 tel. (703)754-8564.

The surprising figures are based on the facts that one ton of grapes can make about 900 bottles of wine, and if there is a yield of five tons an acre and sold at the rate of \$6 per bottle, the gross could be \$27,000!

If the farmer does not wish to make the wine, he can sell the grapes (like the Chardonnay that makes the great Chablis of France) to a winery for about \$1,600 ton.

Experts point out that one family can grow ten acres or more of varietal vines and make the wine, keeping all the labor and profits in the family. Or, as little as 1/2 half acre (about 300 vines) as an alternate money/making crop.

Other advantages are that grape vines are immune to drought because the roots go so deep. Also, little and sometimes no fertilizing is needed because the grape vine is the only horticultural fruit that can prosper on poor soil.

As arable land in California becomes even more scarce and is now selling for \$20,000 per Chardonnay acre, there is more opportunity for farmers east of there to plant the thousands of acres expected to be needed. As a practical matter, one winegrower who raises 5 tons Chardonnay-acre has sold out of his award-winning "Chablis" at \$9 per bottle. This would project a gross of \$40,500 per acre!

"WHY THE DOCTOR PRESCRIBES WINE"

Address by Paul Scholten, M.D., to the One Hundred Thirtieth Quarterly Dinner Meeting of the Society of Medical Friends of Wine, June 4, 1980, at the San Francisco Hilton Hotel, San Francisco, California.

The questions posed in the title of my talk this evening — "Why the Doctor Prescribes Wine" — probably can be answered offhand by any member of this Society, which is dedicated to the advancement of research on this subject.

I have been prescribing and recommending wine to my patients as a healthful food, appetite stimulant, and mild natural tranquilizer, for almost thirty years. These values are soundly documented and have been known to physicians for centuries.²³

My reason for discussing them tonight is the current flooding of physicians' mail and the public press with direful data about all alcoholic beverages and about government proposals to require labels to appear on bottles warning of fearful consequences if the contents are consumed. I am often asked to comment professionally on these proposals.

They originate from the proliferation of new government agencies and increasing numbers of research laboratories concerned with alcoholism as a grave medical problem, which it is.

My daily mealtime beverage, table wine, is involved because there is a long-standing government policy to treat all alcoholic beverages as one big, bad entity, the drug "alcohol," which all of these beverages contain in varying amounts. As part of this policy, light natural wine is lumped together with beer, dessert and apéritif wines, whiskey, gin, brandy and rum, as though there were no difference in their physiologic effects and in their purposes, times, and manners of use. There are important differences, which this policy obscures.

This policy of treating all alcoholic beverages as one is also evident in the government-financed alcoholism research projects which in recent years have multiplied nationwide. The research studies have concentrated on alcoholic abuse and its contribution to accidents, aggression, family disruption, crime and disease.^{3,11,12} The subjects studied are drunks, addicts, their families, and animals fed massive doses of ethanol — never any of the conceivable values of any kind of alcoholic drink.^{29,36} The one government-supported study of current American drinking practices measured only frequencies of use.⁷ It found that wine-drinkers tended to be moderate, but it ignored the reasons why.^{7,9,17}

The policy of treating all alcoholic beverages alike may perhaps be explained by what it deliberately conceals: the

evidence that identifies light mealtime wine as the least intoxicating and therefore the most temperate of all alcoholic drinks.^{8,22,27,28}

This key evidence is disclosed in a simple graph published fourteen years ago in a little book entitled *Alcoholic Beverages in Clinical Medicine*.¹⁸ The book was written by Drs. Chauncey D. Leake and Milton Silverman, who were honorary members of this Society, and I had never really read it until a few weeks ago. The graph was brought to my attention when another honorary member, Dr. Cortez Enloe, published it in *Nutrition Today* last February with a report of Dr. Jeanette McDonald's research-finding that wine taken with food contributes significantly to the absorption of nutrients.²⁵

I have brought copies of the graph to this meeting because

I find that few physicians of my acquaintance are aware of what it shows. It depicts the marked differences in the alcoholic effects of various beverages^{18,27}, which it is government policy and the policy of the alcohol-research laboratories to ignore.

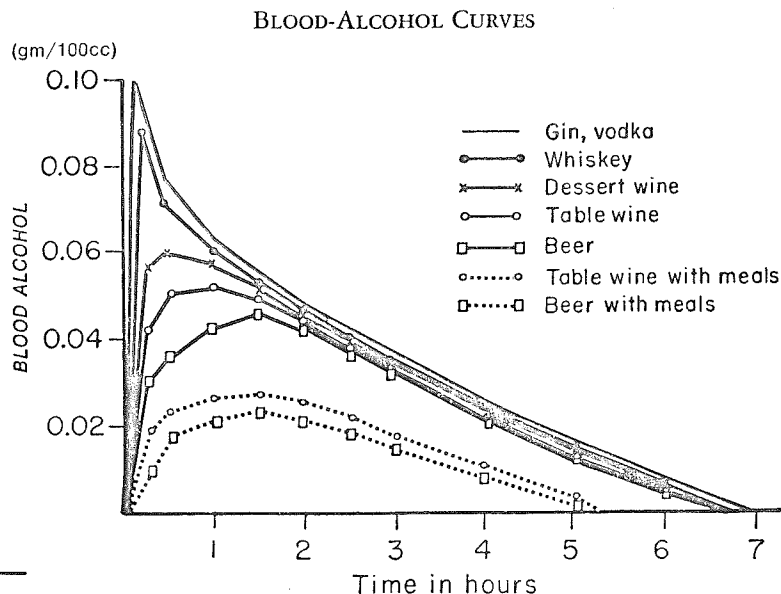
One of the chief characteristics of wine is its content of grape substances. These substances have a buffering effect that slows the absorption of alcohol into the bloodstream.^{13,2}

When the blood contains 0.10 gm per cc of ethanol, the subject by legal definition is drunk. Note on the graph that the fasting subject who consumes 0.6 gm of alcohol per kg of body weight in the form of

gin or vodka, becomes legally drunk with 0.10 blood-alcohol level in a matter of minutes.³⁸ This is the effect of 4 oz of 80-proof gin or vodka on a 165-pound man. A slightly lower peak effect is produced by the equivalent in whisky, according to the graph. Much slower, and with a much lower peak,¹⁵ is the effect produced by 8 oz of dessert or apéritif wines containing the same total dose of absolute alcohol.

But note the fourth line on the graph. The fasting subject ingesting the same total amount of alcohol in 13.5 oz of 12% table wine is about half as drunk as the subject who drank it as distilled spirits.²⁸ The effect is markedly slower and the peak effect is much lower when the beverage is wine.

Then note the sixth line, dotted, which is of particular interest because table wine is principally consumed with food,^{21,34} which in this case is a standard 1,500-calorie meal.



Typical blood-alcohol curves resulting from ingestion of various spirits, wines and beer, each at amounts equivalent to 0.6 gm of alcohol per kilogram of body weight. (From: *Alcoholic Beverages in Clinical Medicine* by Chauncey D. Leake and Milton Silverman, Year Book Medical Publ., Inc., Chicago, 1966.)

The drinker of table wine with his meal raises his blood-alcohol level less than a third as much as if he drank the same dose of alcohol in whisky, vodka, or gin in the manner in which those beverages are principally consumed, on an empty stomach during the cocktail hour. The alcohol is also metabolized or excreted sooner when ingested in table wine with food than without.⁵ The same is true of beer taken with food.³⁸ Thus our average man would have to drink well over a bottle of table wine with his meal to reach the effect of four fairly weak martinis before the meal.

I doubt whether any of the federal, state, or local legislators who vote on issues restricting the sale of alcoholic beverages are aware of the significant differences portrayed in this simple graph. But it seems strange that the differences are ignored by those in the scientific community who produce the deluge of research findings that portray all alcoholic beverages, regardless of type, as equally injurious to health.³¹

There are signs that the American public is already discovering the differences shown in this graph and is thereby several steps ahead of the government, the alcohol researchers, and the scientific press.^{32,1} One sign is that consumers have quadrupled the national consumption of table wine during the past fourteen years.⁸ Another, although it may be mere coincidence, is the evidence that drunkenness in this country is going out of style.⁶

The government policy of lumping all alcoholic beverages together as simply "alcohol" is strongly supported by the distilled spirits industry. The chief organization of that industry is conducting a campaign to persuade all liquor trade publications and also all state and national legislatures to refer to all types of drinks as "alcohol beverages" or "beverage alcohol".⁴ This is a subtle but effective way of diverting attention away from the health and temperate values of wine and beer.¹⁰ The purpose apparently is to divert political attacks away from hard liquor by sharing their force with the respected, admired, civilizing beverage, table wine.

Differences in the effects of various alcoholic beverages,⁴ which the government and alcohol researchers deliberately ignore, have long been known to the medical profession.^{19,23,24} Dr. Benjamin Rush, the professor of medicine in the University of Pennsylvania and a signer of the Declaration of Independence, published a book in 1812 condemning distilled spirits and advocating the use of wine with meals to combat intemperance.³³ The early advocates of prohibition aimed only at spirits; they would have exempted wine. This was also the policy of President Thomas Jefferson, who wrote that "No nation is drunken where wine is cheap, and none sober where the dearth of wine substitutes ardent spirits as the common beverage." Modern statistical evidence bears this out.

In Italy,⁵ which has the second highest reported rate of total alcohol consumption in the world and where wine as food is introduced early in life in the home, the rate of alcoholism has been reported by the World Health Organization to be less than a seventh of the rate in the United States (500 per 100,000 compared to 3,950 in the USA).²⁰ The government of the Soviet Union, faced with the ravages of vodka misuse, has sponsored a vast expansion of its vineyards to encourage the consumption of table wine instead.³⁷

Addiction to alcohol is rare among the Italians,^{20,35} the Jews,¹⁵ and the Greeks, who are socially intolerant of drunken behavior and who are regular consumers of table wine. Alcoholism is likewise rare in all similar cultures where drinking is not viewed as a proof of adulthood or virility,³⁰ but where children are exposed early to wine as

food in a family or religious setting and where parents present an example of moderation.^{15,16}

Our federal and state governments have spent hundreds of millions to combat alcoholic abuse and to finance research into methods of treating alcohol addicts; and nothing has been effective. It is time for a change in the government policy of ignoring the differences among alcoholic beverages, and for a program of research into the temperate values of table wine.

If table wine can be made the favored American drink, there will be far fewer problems with alcohol and alcoholism. This is a special value of the naturally fermented juice of grapes — as a natural preventive of alcoholism — and is one more of the many reasons why I prescribe and recommend the use of wine.³⁹

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play down the impact of imports on American wine pricing.

World Wine Consumption

The single most fundamental cause of problems for the wine industry worldwide today is declining per capita wine consumption in most of Europe's leading winegrowing nations. The statistics are clear enough, but they raise many questions. Why does wine consumption show sharply divergent trends in neighboring winegrowing countries like Argentina and Chile, or Spain and Portugal? Why has the consumption of distilled spirits in some key European nations increased while wine consumption has dropped?

The figures below were compiled by Wine Institute from data collected primarily by the Office International de la Vigne at du Vin.

	per capita consumption in gallons, 1982	percent change from 1972
France	22.72	-19.5
Italy	21.87	-17.2
Portugal	20.70	+12.3
Argentina	19.45	-7.6
Spain	15.06	-14.9
Chile	14.45	+24.6
Switzerland	12.80	+15.3
Luxembourg	12.23	+11.6
Greece	11.62	+9.9
Austria	9.25	-18.0
Hungary	7.85	-25.7
Romania	7.63	+32.5
Yugoslavia	7.45	+2.6
Uruguay	6.60	0
West Germany	6.55	+27.7
Bulgaria	5.81	+13.7
Australia	5.05	+114.9
Belgium	4.97	+45.7
Denmark	4.17	+110.6
U.S.S.R.	3.80	+19.9
Holland	3.49	+69.4
Czechoslovakia	3.17	+13.2
Cyprus	3.12	+43.8
Sweden	2.77	+32.5
Poland	2.59	+53.3
South Africa	2.32	-1.2
Canada	2.32	36.4
United States	2.21	+78.5
United Kingdom	1.91	+7.1
Finland	1.36	+7.1

Truluck an Outstanding Tourist Spot

Truluck Vineyards won South Carolina's 'Most Outstanding Tourist Attraction Award' for 1983. The Lake City winery hosts three festivals each year with different themes and augments its winery tour and picnic grounds with nature trails. South Carolina Lt. Governor Mike Daniel presented the award to winery president and winemaker Jim Truluck and vice-president/general manager Jay Truluck.

Wine Comps Call for Entries

The San Diego County Fair wine judging has been expanded from California-wines only to a national competition, open to all wineries in the U.S. Only five wine types will be accepted: Cabernet Sauvignon, Chardonnay, Sauvignon/Fume Blanc, Pinot Noir, and bottle-fermented sparkling wine. The judging will be held on June 3. For entry information, contact the San Diego National Wine Competition, 4668 Van Dyke Avenue, San Diego, CA 92116; telephone 619/274-8656 or 584-1930 (evenings).

The Finger Lakes Appellation Wine Judging will return to the Cornell University campus for 1984, scheduled for the week of June 11-14. For more information: Bill Brown, 5132 Route 89, Romulus, NY 14541.

restaurant from 46 wineries around the state, the booklet features profiles of almost every winery in the state, with map and label reproductions.

Calendar

May 17-19
Third Annual New Mexico Grape Growers & Wine Makers Conference, New Mexico State University, Las Cruces. All-day winemaking workshop conducted by Bruce H. Rector begins at 10 AM, May 17. Sessions on May 18 cover topics in viticulture and enology in Oregon and Arkansas, grape research in northern New Mexico, California grape certification, pH imbalance, Pierce's Disease, and pruning. Equipment demonstration on May 19. For information and registration: Esteban Herrera, NMSU, Las Cruces, NM 88003; telephone 505/522-5165.

June 21-23
35th Annual Meeting of the American Society for Enology and Viticulture, Town & Country Hotel, San Diego. Contact: Lyndie M. Thomas, ASEV, P.O. Box 1855, Davis, CA 95617; telephone 916/753-3142.

June 23
3rd Annual New England Wine Conference, Westfield State College, Westfield, MA. Panels on marketing, winemaking, grape culture and government regulations. For more information: Wine Conference, Westfield State College, Westfield, MA; telephone 413/568-1992.

June 24-26
USA Wine Expo III, Boston Park Plaza Hotel, Boston. Sponsored by the National Wine Distributors Association, Suite 760, 101 E. Ontario St., Chicago, IL 60611; telephone 312/951-8878.

June 25-28
International Symposium on Cool Climate Viticulture & Enology, Lane County Convention Center, Eugene, OR. See page 12 for program and registration contact.

June 27-30
Texas Grape Day, Dallas, TX. For program information and registration: George R. McEachern, Drawer A7, College Station, TX 77843; telephone 713/845-7341.

NY Cold Storage Report

Single Strength Juice in Cold Storage, New York State

	1984	1983	1982	1981
Jan	79.3	48.7	94.5	92.1
Feb	64.1	38.3	73.9	82.4
Mar		40.2	70.5	70.4
Apr		22.1	45.9	48.5
May		19.2	51.3	47.1
June		12.3	31.1	34.8
July		7.4	19.3	26.9
Aug		11.4	16.5	16.5
Sept		34.5	32.1	22.1
Oct		102.4	88.1	105.3
Nov		103.0	75.4	105.0
Dec		93.2	58.6	94.2

Concentrated Juice in Cold Storage, New York State

	1984	1983	1982	1981
Jan	29.5	22.2	24.7	18.2
Feb	26.1	22.3	22.3	18.1
Mar		23.9	22.7	17.3
Apr		24.0	20.3	18.3
May		17.1	18.1	20.0
June		18.6	19.5	20.7
July		21.3	19.9	17.3
Aug		20.1	19.1	21.7
Sept		18.3	20.2	18.9
Oct		29.9	25.2	28.0
Nov		28.2	26.8	24.5
Dec		28.7	26.8	24.7

Figures are given in millions of pounds.
NY State Crop Reporting Service, Albany.

The Ultimate NY Wine List

To keep up with its expanding cellar of New York State wines (and only NY wines), Turback's Restaurant of Ithaca has developed a 24-page wine list doubling as a souvenir guide to NY wine. In addition to a listing of 199 wines offered at the Finger Lakes

News & Newsmakers

CAWG Proposes Marketing Order

At the University of California/Davis Wine Grape Day in late February, California Winegrape Growers Association Chairman Robert A. Young outlined a comprehensive "Winegrape Improvement Program" to stimulate industry growth. The proposal would fund research and promotion with an assessment on grape growers based on the weighted average price paid per ton for all CA grapes crushed in the preceding year. (The 1983 weighted average of \$187 per ton would set the maximum '84 assessment at \$1.87 per ton, yielding a fund of approximately \$5.5 million in an average year.) Vineyards owned by wineries would be exempt from assessment.

The money collected would fund: (a) development of new uses for wine grapes, such as ultra-low alcohol wines, vinifera juices and soft drinks; (b) a consumer education program designed to broaden the market through generic promotion of wine; (c) funding to help the American Grape Growers Alliance for Fair Trade in its fight against imports; (d) improvement of grower efficiency through viticultural research, and (e) wine grape market research, including such problems as planting/grafting plans, accurate state tonnage estimates, and bearing and non-bearing acreage surveys by variety and area.

The CA Department of Food & Agriculture is holding public hearings on the proposal, to be followed by a statewide grower referendum. The proposal contains a 3-year sunset clause.

Possible NY Ban on Dicofol

NY is considering banning the pesticide dicofol, used by grape growers to control mites, because of increasing levels of DDT found in the Finger Lakes. Dicofol, marketed under the name Kelthane, contains up to 15 percent DDT. Lawrence Skinner, ecologist with the State Department of Environmental Conservation, said the state has not yet acted because the exact source of DDT has not yet been determined.

Based on 1980 readings, the worst contamination is in Keuka Lake where fish tested contained as many as 20 ppm of DDT, with an average of 6.2 ppm, theoretically high enough to impair lake trout reproduction, said Skinner. Levels of DDT in fish in

Seneca and Canandaigua Lakes were not as high but still unacceptable. DDT was totally banned in NY in 1971 because it was thought to be endangering the reproductive ability of many animals, including humans.

Skinner said dicofol has not been banned because the amount of DDT was "considered negligible." The final determination will be made when tests are done on fish caught in the Finger Lakes this year.

PA Retail Reform Stalled

Governor Richard Thornburgh's proposal to transfer the state's largest government-operated retail system for licensed beverages into the private sector has run into political snags. A last ditch lobbying effort by the powerful liquor store employees association, pushing for reform instead of abolition of the state store system, succeeded in tabling the governor's legislation in the state senate. Only a floor vote can bring the bill before the full Senate; unlikely in this session.

Appellation Updates

Lake Michigan Shore received approval designating the southwestern corner of Michigan as that state's third viticultural area. The entire counties of Van Buren and Berien and part of Allegan, Kalamazoo and Cass counties are included.

BATF has also accepted the petition filed by the Jeffersonian Wine Grape Growers Society for a *Monticello* viticultural area. It encompasses approximately 1,250 square miles in the Charlottesville area including 7 wineries.

The two forks of Long Island's East End have petitioned for designation as separate vit areas: *The North Fork of Long Island* and *The Hamptons, Long Island*. Distinctions in climate and soil indicate somewhat different varietal affinities and fruit characteristics on the neighboring peninsulas.

Central Delaware Valley is an official vit area as of April 18. It defines an area of about 150 square miles on both the New Jersey and Pennsylvania sides of the Delaware River, between Trenton and Easton-Phillipsburg. There are 7 commercial wineries, totalling about 55 acres, and 3 wineries located within the area: DelVista Vineyards (the petitioner), Buck's Country Vineyards, and the new King's Road Vineyard winery.

Nebraska Farm Winery Bill

Small winery legislation is progressing through the Nebraska State Senate. It would provide for the licensing of farm wineries producing up to 50,000 gallons per year from at least 75% Nebraska-grown products, with an emergency provision for short harvests. Sales would be permitted at wholesale and retail and the state excise tax reduced to 5¢ per gallon for Nebraska wines. Co-sponsoring Senators Sandra Scofield and Cal Carsten see potential for "bringing land into production that was too hilly or rough for other crop production." Nebraska is one of only 8 states without any commercial wineries.

Post-Mortems for Coke's Wine Fling

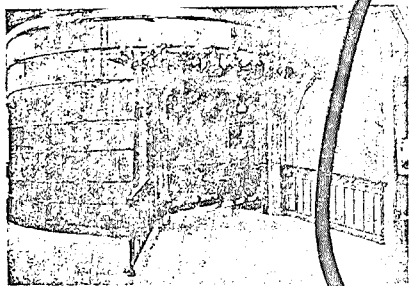
Coca-Cola's ill-fated venture into the wine business has left some nasty scars on the industry. According to a couple of recent analyses in the trade. Speaking to a group of grape growers under contract to Taylor in February, the winery's director of grower relations, Tom Chadwick, agreed with his audience that serious marketing problems result at least in part from "being under the wing of an organization that was very prejudiced against our products." He said Taylor's advertising budgets were much lower under Coke's management than before it, causing a feeling of frustration and helplessness among winery personnel. Referring to Taylor's bulging inventories, Chadwick said "There isn't a thing we need. We've got too much of everything at this point." He speculated that one of the five varieties affected by the winery's recent contract cuts, Ives, will probably never be purchased again. There are about 550 acres of Ives planted in NY State, most of them contracted to Taylor.

In another forum - the NY Times Wine Seminar held in March - Stephen Kauffman, president of the Joseph Garneau import firm, blamed depressed wine prices throughout the American wine industry on Coca-Cola. "To the best of our knowledge, the heavy price discounting stems back to when Coca-Cola got into the wine business. It began in 1978 and really started heating up in 1981 and 1982 with reaction to Coke's entry - when Gallo reacted and other wineries who were getting hurt quite badly also reacted." Kauffman was attempting to

area had also received substantial numbers of rootings from Bountiful Ridge that were not true to variety. Bountiful Ridge did not contest that they had mislabeled over half the Chancellor rootings but cited their warranty which limits liability to replacement of the mislabeled vines or refund of their purchase price. Based on the testimony of Roger Wolf and viticultural consultant Lucie Morton, the judge held that Bountiful Ridge's limited warranty was not binding and awarded the Wolfs damages which included: the cost of replacing all 1100 of the Chancellor vines (it being cheaper and better vineyard practice to replant the entire planting than to interplant one-year vines with two-year vines); the cost of ripping out the vines and replanting the vineyard; and the cost of Morton's time to identify the incorrect plants. Applying Maryland law, the judge did not award damages for loss of profits caused by the vineyard being delayed a year in production, holding that the amount would be too speculative and could not be accurately ascertained.

Taylor Unveils Wine Center

A 35,000-gallon redwood tank converted into a movie theater is the centerpiece of the Taylor Wine Company's completely refurbished visitor's center in Hammondsport, New York. Redwood staves from eight other, decommissioned tanks were used for wainscoting and lattice trim in the 8,840 square foot reception facility, including the facing on a 66-foot horseshoe-shaped wine tasting bar. Exhibits range from a century-old press and antique champagne-making equipment to an electronic display depicting the production of sparkling wine from vineyard to bottle. Along with a viewing station into the adjacent bottling facility, they offer casual visitors an alternative to the winery tour, which has been expanded to include more of the Great Western and Taylor cellars.



The 'Theater-in-a-Tank,' 12 feet high by 24 feet in diameter, seats 40 people for a 7-minute audio-visual introduction to Finger Lakes wine country and Taylor/Great Western

CALENDAR

3-5 November

American Wine Society National Conference, Marriott Inn North Columbus, OH. Seminars on wine cooking, home winemaking, wine appreciation; Showcase of Wines from around the world (featuring Ohio); tastings; wine-food combinations; AWS amateur wine competition awards ceremony and banquet. Information: Raymond Click, 302 Rivers End Rd., Gahanna, OH 43230.

30 November, 1-2 December

Wineries Unlimited, Rochester Plaza and Genesee Plaza Hotels, Rochester, NY. See program in this issue.

Maryland Field Day Highlights Grape Diseases

Maryland grape growers met, appropriately, in humid, 90° temperatures to discuss grapevine disease and pest pressures at the mid-summer MD Grape Growers Association field day. Convening at Provenza Vineyards in Brookville, they heard Paul Steiner speak on fungus and insect problems, and Ed Podleckis on grapevine viruses, especially the tomato ringspot and tobacco ringspot viruses most common in MD vineyards. Chris Welsh demonstrated equipment for spraying, summer pruning and herbicide application. All three men are connected with the University of Maryland, which provides diagnostic testing services through county agents for growers who suspect virus infections.

Colorado Passes Limited Winery Law

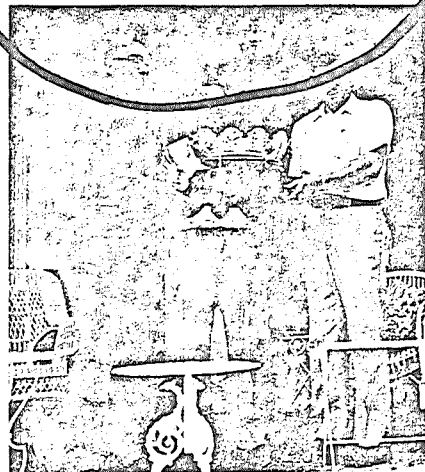
The legislation reduces the license fee from \$250 to \$25 for producers of not more than 100,000 gallons per year using at least 75 percent Colorado-grown products. Limited wineries may sell wholesale or retail and pay a reduced state excise tax of .7¢ per liter, one tenth of the tax levied on other in-state wine producers. Winetasting and sales by the glass are also permitted on premise.

The law went into effect last May to stimulate alternate agricultural pursuits on the state's west slope. One winery, Colorado Mountain Vineyards, was established there in 1978. Applications are pending for three more.

A Wine Festival

As the Virginia grape and wine industry has grown, so has the annual festival sponsored since 1972 by the Vinifera Wine Growers Association. Although there were no estate wineries until 1976, the first few festivals offered a meeting ground for owners of young vineyards, amateur winemakers, curious enophiles, and farsighted suppliers to the trade.

Mrs. Elizabeth Furness, owner of Virginia's first commercial vinifera, lent her house and grounds, now Piedmont Vineyards, for the 12th year. Approximately 6,000 people came to the August event, newly named the Virginia Wine Festival. Fourteen wineries participated along with crafts displays, trade exhibits, music, seminars and awards presentations. - Lucie T. Morton



Above, Boris J. Stojanovic (center) and Richard P. Vine (right) accept the VA Winegrowers Association Monteith Trophy from VWGA president R. de Treville Lawrence in recognition of Mississippi State University's prominent role in eastern enological research and education. Dr. Stojanovic was the featured speaker at the 1983 VA Wine Festival. Below, Doug Flemer of Ingleside Plantation Winery (right) received the Governor's Cup Award From VA Department of Agriculture and Consumer Services director Jefferson. Ingleside's 1981 Cabernet Sauvignon was judged Best of Show in the 1983 Virginia Wine Competition. Competition coordinator Bob Perna looked on.



news & newsmakers

BATF On the Chopping Block

The latest round of President Reagan's budget cuts calls for elimination of the Treasury Department's Bureau of Alcohol, Tobacco and Firearms, the federal regulator of the wine industry. The Customs Service, another branch of Treasury, would absorb all functions relating to alcohol control, under the plan, while the Secret Service would take over matters of tobacco smuggling and firearms. BATF has a total budget of about \$150 million. As many as 1600 of the bureau's 3500 employees could lose their jobs in the restructuring.

According to one high-level bureau official, the proposed shutdown is "purely a concession to the NRA." The Washington Post reported that BATF has long been a target of the National Rifle Association.

Signs of mounting Congressional opposition to the administration's latest budget-tightening leave the outcome in doubt. BATF is one of 30-40 agencies, boards and commissions on the chopping block along with the Departments of Education and Energy. Representative William Hughes (D-NJ), chairman of the House Judiciary subcommittee on crime and an ardent foe of BATF's abolition, opened hearings on the matter October 1.

Wine Group Sold

The Coca-Cola Co. of Atlanta has sold the wine business of Coca-Cola Bottling Co. of New York, which includes the Mogen David Wine Corp., Franzia Brothers Winery and Tribuno Wines. Collectively called The Wine Group, the three wine producers were sold to the investment banking firm of First Boston Corp. and a number of executives of The Wine Group.

Coke Atlanta recently merged with the New York bottling company. The sale of its wine business is seen as a move to avoid antitrust action likely to have arisen because Coke already owns The Wine Spectrum: Taylor, Great Western, Sterling, and Monterey. The Spectrum is the nation's fourth largest wine producer, one notch above The Wine Group.

Ontario Wine Sales Report

The Canadian Wine Institute is offering Brand Sales Reports on all Canadian and imported wines sold in the province of Ontario. Separate reports for all other provinces will be issued by the end of the year.

Each report will consist of monthly updates including supplier summaries, brand sales broken down by wine categories, countries, regions, provinces and appellations, and wine category summaries by country. Comparisons are also made with the previous year.

The 1981 Ontario Reports cost \$500 per year, available from Canadian Wine Institute, One Yonge Street, Suite 2104, Toronto, Ontario M5E 1E5.

NY Growers Approve Wine Grape Marketing Order

When the ballots were counted after this summer's grower referendum on a research and promotion order for wine grapes, 69.6 percent had voted yes, far more than the simple majority required. However a tonnage stipulation in the referendum kept the outcome in question right down to the wire. According to the State Department of Agriculture and Market's notice of referendum, growers voting in the affirmative had to represent at least 65 percent of the wine grape tonnage sold in 1980 by all growers voting. The figure finally tallied by Ag & Markets, reportedly after a painstaking and frustrating process of verification, was 67.4 percent.

The total number of votes cast was 412, but after disqualifications for various technical reasons, 341 ballots were counted. Thus about half of New York State's estimated 700 wine grape growers effectively participated in the referendum and a plurality of just 35 percent approved the marketing order.

Under the provisions of the order, all growers selling grapes to wineries will contribute one percent of their gross income from those sales to a fund for generic promotion of NY State wines and for viticultural and market research. The New York State Wine Grape Growers, Inc. is expected to administer the fund under contract with the state Dept. of Ag & Markets. Passage of the order was not announced until September 22, but payments commenced retroactively to the beginning of the 1981 harvest. Growers who received early payments without one percent deducted by the processor and forwarded to the state (the normal procedure for collection) will be directly assessed by Ag & Markets.

State officials estimate about \$175,000 will be raised this year, but one knowledgeable insider predicts an ultimate total closer to \$300,000 as certain processors are required to tighten up their record keeping. The next step in implementation of the order is appointment by Ag & Markets Commissioner Roger Barber of an advisory board.

Juice Grape Marketing Order

The hearing officer for the proposed marketing order for New York State juice grapes has recommended that the proposal go to referendum. The probable date is early November.

National Grape Co-op opposes the order as government intervention and unnecessary duplication of grower contributions to Welch's own promotional efforts. The NY Farm Bureau (which drew up the proposal) and some smaller processors favor the order as a means of bolstering a sagging market.

Farm Winery Law in NJ

Governor Brendan Byrne signed the New Jersey Farm Winery Bill into law on September 10 after it passed both houses of the state legislature without a dissenting vote.

The new law permits production by a farm winery of up to 50,000 gallons a year from grapes grown in New Jersey, wine sales at the winery (for off-premise consumption) and to wholesalers and retailers, and service of free samples to visitors and prospective retail customers. Graduated license fees have been cut in half from the schedule formerly in effect under the state's Limited Winery Act; the new fees being \$50 under 1000 gallons/production, \$100 for 1000-2500 gallons, \$200 for 2500-50,000 gallons.

To encourage the planting of wine grapes in New Jersey, the act also reduces the excise tax on wine made from NJ grapes to 10¢ per gallon instead of the 30¢ per gallon levied on other wine.

The Hunterdon County Wine Growers Association, which played a key role in drawing up the legislation, hailed its passage with the observation that "wine growing is economically viable in a large part of the state...Encouraging wine production from grapes grown in NJ will not only boost the state's agricultural industry but will also serve to help preserve agricultural land (without the expenditure of public funds) and enhance the growth of the tourist industry in those areas where farm wineries are established."

Association spokesman Don Fennelly had high praise for Assemblywoman Barbara McConnell for steering the bill into law. He estimates that three or four members of the association are likely to apply for farm winery licenses within the next year-and-a-half.

BATF OKs Alcohol Stripping

Two new procedures for lowering alcohol content of wine have been approved by the Bureau of Alcohol, Tobacco and Firearms: the centrifugal film evaporator and the vacuum still/flashpan process. Both are capable of reducing alcohol content from the 10-12 percent range to 7-9 percent without significantly affecting the wine's flavor, color or other characteristics, according to the bureau's tests. By reducing alcohol they also reduce calories.

Missouri Wine Map

A colorful poster map of the state of Missouri is available with illustrations indicating vineyard districts and other points of interest (wineries, however, are not shown). It is designed to serve a decorative rather than informational function. Price: \$3 each plus postage and handling; \$2 each for quantities over 20. Write Tibor Nagy Graphic Design, 816 Barby Lane, Kirkwood, MO 63122 for an order form.

ews & Newsmakers

candidate for nearly a year. At press time EGGWN learned that a Finger Lakes native with extensive winery experience in California has been accepted for the position. An official announcement awaits approval by Geneva Station directors.

Canandaigua Unveils New Champagne Facility

A 10,000 square foot production facility at the Finger Lakes winery will enable the Canandaigua Wine Company's sparkling wine operation to more than double in size. Invited guests toasted the expansion on May 15, inspecting a new bottling line capable of turning out more than 2500 cases per day. It features a high-speed Bertolaso filler and Kronos Universella labeller. Pressurized, insulated 12,000-gallon steel tanks in an adjoining room will be used for the Charmat operation. Canandaigua had been using both Charmat and bottle fermentation at their Hammondsport Wine Co. facility, now closed down, but will use only the Charmat process in the new plant. Equipment at Hammondsport is currently being rehabilitated before relocation to Canandaigua.

Canandaigua's total production has been growing at an annual rate of 10 percent in recent years. Fifty percent is accounted for by Richard's Wild Irish Rose, which has added a white wine that has already achieved sales of 160,000 gallons per month. J. Roget is the major champagne label but other products to be picked up by the new facility include a recently-released almond-flavored sparkling wine.

MO Growers Form Association

On May 1, Missouri grape growers founded a statewide organization for the support and promotion of viticulture. Bylaws outline the objectives of lobbying in legislative and political matters, establishing a forum for the exchange of information and ideas, fostering and directing research, and analyzing the grape market. Specific areas of immediate concern identified at the first meeting were the setting of quality standards, adopting a voluntary assessment for research and extension services, and recruiting members.

There are two levels of membership: voting (\$15 annual dues) requires at least one acre of grapes, and associate (\$10) open to anyone. Checks should be made out to the Missouri Grape Growers Association and sent to Brian Byers, Montelle Vineyards, Route 1, Box 94, Augusta, MO 63332.

Officers and directors were elected to serve until the first regular annual meeting scheduled for January 1983. They are: President Phyllis Meagher, St. James; Vice President John Gabriel, St. Louis; Secretary-Treasurer Brian Byers, Augusta; and Directors Jim Blumenburg (Chesterfield), Sonny McMurtrey (Mountain Grove) and Joe J. Witzke (Seldon).

MO Loosens Winery Restrictions

A bill introduced by state Representatives Schaeperkoetter, Villa and Creason to give Missouri's wine producers more elbow room has been signed into law by Governor Christopher Kit Bond. The upper limit

of annual production for a Missouri winery to qualify for reduced license fees and other 'farm winery' privileges has been raised from 75,000 to 500,000 gallons. The upper limit of percent alcohol in wines produced has also been raised, from 14 to 18 percent.

The new law also loosens the requirement for exclusive use of fruit (or other raw material) grown within Missouri. Wineries can now use up to 15 percent out-of-state grapes or raw materials, the percentage to be based on the previous year's production figure. And "in any year when a natural disaster causes substantial loss to the Missouri crop," the director of the Department of Agriculture will have the power to raise the allowable percentage of out-of-state fruit. Finally, the amended legislation permits MO wineries to buy and sell bulk or bottled wine bond-to-bond.

Mississippi Wineries Can Advertise

Mississippi maintains a state-wide ban on the advertising of wine and liquor. But the state's House of Representatives recently exempted Mississippi's own wineries (there are currently four) from the ban, providing them with the means to gain exposure and compete with national brands.

Opponents of the exemption argue that it would open the way for general advertising of liquor and wine. Proponents called for the encouragement and support of an indigenous wine industry and pointed out that licensed beverage advertising already permeates the state in national magazines, radio, television, and out-of-state newspapers.

Eastern Scholarship Nets \$4000

Eastern Grape Grower & Winery News has awarded \$4000 to the Eastern Section of the American Society of Enology for the promotion of wine and grape scholarship in the 1982-83 academic year. The funds derive from entry fees for the 1981 Wineries Unlimited Eastern Wine Competition. A total of 792 wines were entered by 100 wineries in the United States and Canada east of the continental divide.

Since 1979, when the scholarship fund was created, \$9000 has been provided on behalf of eastern wine producers for scholarships to graduate students in enology, viticulture and related fields of study. They must be enrolled in schools within the area chartered of ASE's Eastern Section, which is administrator of the fund. Dr. Frank Gadek, professor of chemistry at Allentown College, is chairman

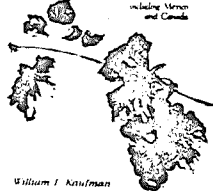


Left to right, Vice President of Winery Operations Bert Silk, Executive Vice President Richard Sands and President Marvin Sands toast the first bottling run in Canandaigua's new champagne facility.

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Wise & Otherwise



P.E. HIARING

AMERICAN wine has a good friend in Pat Cetta of Spark's Steak House in NYC. He is a great fan of California wines and pushes them in his restaurant. In import-oriented New York already! Pat has had buttons made up which say: "We Can't Afford Not To Buy American Wine." He holds tastings at the restaurant (French vs. California wines) and finds California wines almost always come out on top. Pat, by the way, has suggested similar wine tastings all across the country. Blind tastings comparing Euro and California wines were regularly conducted for the former Wine Advisory Board in the 1960s and early '70s. Now that there's a new marketing order, and new funding, maybe such taste-offs are down the road. I first met Pat at the First Napa Valley Wine Symposium. A few months ago, Larry Walker met him in New York. Pat's being featured in Larry's story on how California wines stack up against the imports in NYC. Watch for the piece in the May '85 *W&V*.

MARKETING: I like the idea of specially-designated wines. Take Kenwood Vineyards' Artist Series Cabernet Sauvignon. The winery blends its best lots of Cabernet, then bottles the blend separately with an original painting for the label. True, Mouton-Rothschild has used artists for years. But Kenwood's special label sets the wine apart from its other offerings. As does the price. Its 1981 Artist Series Cabernet retails for about \$25. Kenwood is in California's Valley of the Moon.

LIQUOR Barn, the 103-store chain, held wine education sessions at six of its California locations last year. Session #1 was an intro to wine for the novice; session #2 was on varietal identification; #3 was "Advanced Component Identification," and #4 was "Wines of the World." Each seminar cost \$25. One hopes LB will continue with the seminars, and that other wine shops will follow suit. Steve Boone, operations manager for Liquor Barn, told wine marketers that for consumers, a store's selection is the most important factor. Next comes price. Service is third. By "service," Liquor Barn means tastings and a newsletter.

THE nouveau beat goes on. We've heard of these wines, French or American, delivered to market via chartered jet, dropped with British airborne troops into London, even sent by steamboat to Sacramento. Enter the Hollywood touch. Creston Manor Winery had its '84 Pinot Noir Nouveau delivered to Scandia Restaurant in Los Angeles via stagecoach. Aboard were wine writer Robert Lawrence Balzer and actor-connoisseur Burgess Meredith. What kind of novel delivery can we expect in '85?

SPAIN and Portugal, both major wine producing countries, are to become members of the European Economic Community sometime next year. How to accommodate the two, given the already overflowing wine lake? Well, the EEC has agreed to limit member-country production to 10 million hectoliters per year. That's admirable restraint for you. The plan to deal with the surplus is to limit vineyard replanting and to force distillation of some wine into industrial alcohol. That's fine unless you happen to have some molasses you'd like distilled for industrial use. Whether the EEC plan will work or not, of course, remains to be seen.

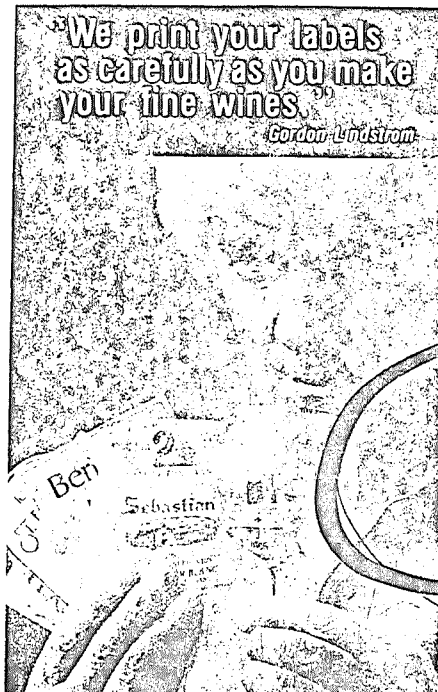
HOORAY for Virginia's fall tourist campaign. It combined the appeal of fall travel in the state with wine country tours. Other states take note. The ad campaign was the state's largest ever for fall. In addition, a 32-page guide booklet was available from the tourism department. Newspaper ads calling attention to Virginia's wine country ran in New York, Maryland, Pennsylvania and Washington, D.C. newspapers. The campaign marked the first time Virginia's wine industry was promoted with paid advertising. The total promotion cost the state about \$1 million.

AND now, New Zealand wines by mail. The New Zealand Collection in Watsonville, Calif. (122 Manfre Rd., 95076) has taken a page from the Windsor Vineyards book. A handsome, self-mailing promo piece announced consumers could order Château St. Philippe wines with free personalized labels. The company certainly made it easy to order, what with a postage-paid return envelope and free freight via UPS. Of course, the usual stipulation that shipments can't be made outside of California. Selling wines from Down Under by mail is nothing new. George Kolarovich, ex-South Australian now in the Napa Valley (P.O. Box 3218, Yountville, CA 94599), sells Aussie wines under the *Claridge* label and Napa Valley wines under the *Fairmont* banner.

THERE'S gold in them thar calories—or the lack thereof—says Frost & Sullivan, Inc., New York research firm. A new study by F&S (Diet Foods and Beverages) predicted the market for such products will rise by 60% by 1990 to represent a \$41.2 billion market. Sounds like a reason to keep going with "light" wine, if the study is right.

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News & Newsmakers

Ingredient Labeling Mandatory 2/8/84

The Bureau of Alcohol, Tobacco & Firearms has set February 8, 1984, as the mandatory date on which ingredient labeling for the wine and other legal beverage industries must begin. The date was set following the successful action in February against BATF by the Center for Science in the Public Interest, in which the U.S. District Court of Columbia ruled that the agency's setting aside of ingredient labeling regulations was arbitrary and capricious. The court gave the bureau 30 days to set a new date of compliance not more than one year from the date of decision.

The announcement of a new date of compliance is "without prejudice" to the government's right to appeal the district court's decision, which it is more or less understood the government will do. Any action the government may take against the court will probably postpone the mandatory date.

ATF Proposes Lake Erie, Grand River Vit Areas

In the April 4th Federal Register, ATF proposes both a *Lake Erie* and a *Grand River Valley* viticultural area, the latter located in northern Ohio. The Lake Erie designation, originally outlined by Bill Gulvin of Johnson Estate Vineyards, would cover some 3,300 square miles stretching from Toledo, Ohio, almost to Buffalo, New York. The area hugs the lake shore but varies in width according to topography affecting the lake's influence on climate. It would encompass all of the Erie Islands including the established Isle St. George viticultural area, and would overlap with the proposed Grand River Valley area.

Tony Debevc of Chalet Debonne petitioned for the Grand River Valley designation, including all land within two miles of the Grand River from its source to its outlet into Lake Erie. Since the river runs parallel to the lakeshore for about 20 miles, this encompasses a large part of northeastern Ohio's vineyards. According to Debevc the valley produces 70 percent of Ohio's annual grape crop. It includes 4 wineries. However only about one third of the proposed area lies within the larger Lake Erie area, and ATF has issued a counter-proposal that only that third, about 46,000 acres, be designated as the Grand River Valley area. This

would eliminate only 2 acres of inland vineyards at Hilltop Winery in West Farmington.

Long Island Growers Organize

Vineyardists on Long Island's East End began meeting informally in 1981 and worked throughout 1982 to formulate a growers' organization that has now become official with the adoption of by-laws and election of officers. They are: David Mudd (Southold), president; Christian F. Baiz III (Southold), vice-president; William J. Sanok (Mattituck), secretary; Patricia Lenz (Peconic), treasurer; and directors Dan Kleck (Southold), Sherburn C. Brown (Southampton), Robert Grainger (Riverhead) and John Novak (Sag Harbor).

The association has 75 members. There are approximately 400 acres of vineyards on Long Island with another 300-400 expected to go in this spring. For more information: Long Island Grape Growers Association, c/o Mudd's Vineyard, County Road 48, Southold, NY 11971.

Virus Testing in Virginia



Hubert Tucker (right) of the Schloss Tucker Nursery in Waterford, VA, discussed virus testing procedures with Dr. Austin Goheen on a recent trip to the University of California at Davis. Tucker is working with Goheen and Dr. Sue Tolin, plant pathologist at Virginia Polytechnic Institute, to develop a virus testing and heat therapy program for vinifera and rootstock materials at his vinifera nursery. He plans to offer an eastern U.S. alternative to California certification, providing certified virus-free material in quantities sufficient for Schloss Tucker and for sale to other nurseries and benchgrafters.

Bully Hill To Make Brandy

The first brandy to be produced in New York State since the 1920s is scheduled for release by Bully Hill Vineyards next year. The Hammondsport winery has purchased a solid copper still that will produce an initial

batch of about 300-400 cases. Wine used for the distillation process will be made from native grapes currently in oversupply in the Finger Lakes, notably Concord and Catawba. Owner-of-the-estate Walter Taylor lobbied successfully for reduction of the state license fee to produce brandy from \$21,500 to \$100. His preliminary experimentation with brandy production began in the 1960s at the Pleasant Valley Wine Co. with his father Greyton H. Taylor and PV winemaker Richard Vine. Bully Hill brandy will sell for about \$10 a fifth.

Georgia Passes Farm Winery Bill

Legislation approved after a head-to-head lobbying battle between the state's grape growers and wine distributors permits farm wineries to do their own wholesaling as well as retailing at the winery and at 5 extensions of premise. The direct wholesaling provision applies only if the winery is turned down by a licensed wholesaler. A farm winery is defined as an on-farm production operation using at least 40 percent Georgia-grown fruit and producing no more than 24,000 gallons of wine per year. As listed in the Small Winery Legislation section of the just-released 1983 EGGWN Directory, the new law permits tasting on premise as well as sales for on or off-premise consumption. The farm winery license fee is \$50.

Credit for the successful legislative effort goes to the Georgia Grape Growers Association, headed by Bill Rosser and Tom Slick. With the new provisions in place, Rosser immediately proceeded with plans for his own B & B Rosser Winery at Apalachee Vineyards in Athens, preparing for a 1983 first crush.

Taylor Lake Chablis Goes National

After an 8-month test marketing in selected cities, The Taylor Wine Company will begin national distribution of Lake Country New York State Chablis in May. The wine is a blend of Verdelet, Cayuga White, Ventura, Dutchess and Delaware grown in the Finger Lakes area and in Chautauqua and Niagara Counties. Suggested retail price is \$2.99 per 750 ml.

Widmer Sale Finalized

A group of 11 investors has finalized the purchase of Widmer's Wine Cellars in Naples, New York, from the R.T.

“BIBLICAL WINES”

Address by Anthony Brooks Firestone with Catherine Firestone to the One Hundred Forty-Seventh Quarterly Dinner Meeting of the Society of Medical Friends of Wine at the Fairmont Hotel, San Francisco, California, November 5, 1984

Kate and I are honored to be at this meeting of the Medical Friends of Wine. You are the authorities on the attributes of wine to physical well-being. We decided to bring you some thoughts on the spiritual or moral consideration of wine.

The reason for our development of this theme is the Prohibitionist sentiment that springs up from time to time in our country — the belief that such a good thing as wine might be morally harmful. Both Kate and I are practicing Christians, and we try to live by our belief, and we labor hard in the vineyard and we enjoy the fruits of our labor. So it worries us that Prohibitionist movements often originate from church groups.

In order to sort out this contradiction, we turned to the Bible, both for spiritual inspiration on the question of drinking wine and, as with all questions of daily life, as a practical example of how to live one's life.

Catherine: My father is a priest in the Church of England, and of course has dedicated his life to the Church. But as a break and refreshment in his daily round, he very much enjoys fine wine. I remember how on holidays, and for special Sunday lunches, my father would disappear down into the cellar and bring out one of his treasured clarets. Lovingly he would dust off the bottle, pull the cork and bring the wine up to room temperature by placing it in front of an electric heater. I always wondered if the wine cellar had replaced the coal cellar, because in those days our vicarage home resembled an icebox. Here was a man of the Church loving his wine — as, I may add, do many others in the Church. So it was confusing to me why those who read the same Bible could draw such different conclusions. Some love their wine, and some condemn wine.

We have come across people who will not drink because of their Christian beliefs — and occasionally people who condemn us as winemakers. In discussions with these people, I of course agree on moderate and sensible use of alcohol, but often they insist on total abstinence. The obvious question is, “What did all those characters in the Bible drink?” and “What did our Lord Jesus drink?” The answer that it was not wine, but rather grape juice is, of course, ridiculous.

Anyone who knows anything about grapes, grape juice, and wine knows that the presence in the grapes of the natural yeasts, those that are necessary to the fermentation of the juice, makes it impossible that grape juice remain static. It must ferment into either wine or vinegar. The processes of pasteurization or addition of preservatives are extremely modern techniques. Grapes ripen at one season and that's *it* for the year. So how to keep it? No bottles with tightly fitting corks, no vacuum packs, no methods for blanketing with carbon dioxide. It had to ferment, and even if less than palatable to our taste, it had to contain alcohol. Ergo not grape juice — wine!

The people of the Bible lived with wine and it was very much a part of their everyday lives. The Bible is rich with wine drinking and wine imagery. There is also much advice about the best use of wine. For while throughout there is an

imagery and appreciation of wine, there are also strong feelings about drinking too much of it.

Catherine: Let's look at some passages from the Bible. Noah is the most colorful over-indulger in the Old Testament. Even after the flood as described in the tenth chapter of the Book of Genesis:

“And Noah began to be an husbandman, and he planted a vineyard. And he drank of the wine, and was drunken; and he was uncovered within his tent.”
And that was a pretty serious situation to be found in!

There is much advice from the Prophets regarding this type of over-indulgence:

“And be not drunk with wine, wherein is excess; but be filled with the Spirit.” —Ephesians 5:18

Catherine: And warnings:

“Hear thou, my son, and be wise, and guide thine heart in the way. Be not among winebibbers; among riotous eaters of flesh; for the drunkard and glutton shall come to poverty; and drowsiness shall clothe a man with rags.” —Proverbs 23:19

And again:

“Who hath sorrow? Who hath contentions? Who hath babbling? Who hath wounds without cause? Who hath redness of eyes? They that tarry too long at wine; they that go to seek mixed wine.” —Proverbs 23:29

And, most definitely, Isaiah says:

“Woe unto them that rise early in the morning, that they may follow strong drink; that continue until night, till wine inflame them! And the harp, and the viol, the tabret, and pipe, and wine are in their feasts; but they regard not the work of the Lord, neither consider the operation of his hands.” —Isaiah 5:11

This is harsh but worthy advice, even if the prophets did sound a very long and loud note. On the other hand, St. Paul, the stern watchdog of the early Christian church, actually recommends wine to his young friend, Timothy, who apparently had been too abstemious. St. Paul writes to him:

“Drink no longer water, but use a little wine for thy stomach's sake.” —I Timothy 5:23

Catherine: And there is no doubt, the Bible looks on wine as a gift from God to man. Wine is continually used to illustrate the bountiful goodness of God.

“Be glad then, ye children of Zion, and rejoice in the Lord your God for He hath given you the farmer rain moderately. And the latter rain in the first month. And the floors shall be full of wheat, and the vats shall overflow with wine and oil.” —Joel 2:23

Sounds just like this year's vintage! Isaiah also gives us a beautiful picture of the Lord's bounty:

“And in this mountain shall the Lord of hosts make unto all people a feast of fat things, a feast of wines on the lees, of fat things full of marrow, and of wines on the lees well refined.” —Isaiah 25:6

And in the Psalms:

“He causeth the grass to grow for the cattle, and herb for the service of man; that he may bring forth food

out of the earth; and wine that maketh glad the heart of man." —Psalms 104:14

Then, too, the Bible recognizes the imagery of winemaking. The most famous illustration is the sad picture of Moab, as told in winery terms:

"Moab hath been at ease from his youth, and he hath settled on his lees, and hath not been emptied from vessel to vessel, neither hath he gone into captivity: therefore his taste remained in him, and his scent is not changed." —Jeremiah 48:11

In fact, if the Bible adds one piece of advice on winemaking, it is to be careful of the lees. Rack the wine and keep it alive. Winemakers, pay attention to what is found in the Book of Zephaniah:

"And it shall come to pass at that time, that I will search Jerusalem with candles, and punish the men that are settled on their lees." —Zephaniah 1:12

There is strong advice mixed in with the imagery of wine bottles. As Jesus said:

"No man putteth new wine into old bottles: else the new wine doth burst the bottles, and the wine is spilled, and the bottles will be marred: but new wine must be put into new bottles." —St. Mark 2:22

And there is no question, wine should not be watered:

"How is the faithful city become an harlot. It was full of judgment; righteousness lodged in it, but now murderers. Thy silver is become dross, thy wine mixed with water." —Isaiah 1:21

Undoubtedly the most famous use of wine in the Bible is in the Last Supper when Jesus blesses the bread and wine and consecrates the sacred feast as the memory and image of his own sacrifice:

"And as they did eat, Jesus took bread, blessed and brake it, and gave it to them, and said, 'Take, eat: this is my body.' And He took the cup, and when He had given thanks, He gave it to them: and they all drank of it. And He said unto them, 'This is my blood of the new testament, which is shed for many. Verily I say unto you, I will drink no more of the fruit of the vine, until that day I drink it new in the kingdom of God.'" —St. Mark 14:22

Now here, there is no question that at the Passover feast in Israel, in Jesus' time, wine was used as part of the ceremony. Clearly not grape juice or anything else but wine.

Our Lord Jesus instituted his sacred supper with bread and wine, two elements as fundamental as life itself. As wine was an essential element in the dramatic culmination of His life and ministry, so too was it at the start. He began his ministry with His first miracle at a wedding, by making wine:

"And the third day there was a marriage in Cana of Galilee, and the mother of Jesus saith unto Him, 'They have no wine.' His mother saith unto the servants, 'Whatsoever He saith unto you, do it.' And there were set there six waterpots of stone. Jesus saith unto them, 'Fill the waterpots with water.' And they filled them to the brim. And He saith unto them, 'Draw out now, and bear unto the governor of the feast.' And they bare it. When the ruler of the feast had tasted the water that was made wine, and knew not whence it was, the governor of the feast called the bridegroom. And saith unto him, 'Every man at the beginning doth set forth good wine; and when men have well drunk, then that which is worse. But thou

EFFECTS ON CHOLESTEROL

An article in the October 8, 1983 issue of *Lancet* confirms a beneficial effect of moderate wine consumption in the diet. Drs. John Thornton, Carol Symes, and Kenneth Heaton of the Royal Infirmary in Bristol report that volunteers' consumption of a half-bottle of wine daily for six weeks resulted in a significant reduction in bile cholesterol saturation and a parallel rise in HDL cholesterol in their blood. The article suggests that this may lower the risk of cholesterol gallstone formation, and also refers to repeated studies indicating that moderate alcohol intake contributes to lessened incidence of heart disease.

—
"I rather like the bad wine, one gets so bored with the good."

—Mr. Montchesney

—
"Never did a great man hate good wine."

—Francois Rabelais

—
"If God forbade drinking would He have made wine so good?"

—Cardinal Richelieu

—
"Drink a glass of wine after your soup, and you steal a ruble from the doctor."

—Russian proverb

—
"Here's to sparkling wine in glittering glasses, wine that awakens joy like a lover's laughter.

Here's to wine that is pure, that awakens the heart to rapture,

"And in gay abandon drowns each somber thought."

—Drinking song from *Cavalleria Rusticana*

—
"Good wine needs neither bush nor preface to make it welcome."

—Sir Walter Scott (1771-1832)

—
"And wine can mortals of their wits beguile, Make the sage frolic and the serious smile."

—Homer

hast kept the good wine until now." —St. John 2:1-10

Well, there is no question that the people in both the Old and New Testaments drank wine. Wine was not just there; it was an important part of daily life — of ceremony and culture.

Yet we all know people who, we believe, in a sincere yet misguided interpretation, will not drink wine. We, of course, respect everyone's independent judgment, but we don't want wine to receive an undeserved reputation. The Bible advises moderation and respect for wine, and honesty is winemaking. But there is certainly no requirement for abstinence. We are satisfied that "laboring in the vineyard" is creative, important and joyful work. We are proud of what we do.

And we are delighted to enjoy the fruits of our efforts. So, as St. Paul advised, let's all enjoy our dinner and "Take a little wine for thy stomach's sake."