March 28, 2012 Testimony on **SB 379**

House Federal and State Affairs Committee

Chairman Brunk and Members of the Committee

We oppose SB 379 because it eliminates the 60% minimum requirement for KS product and therefore eliminates the connection that serves as incentive to the planting and growing of acres of fruit. And it risks a court challenge that would threaten the entire industry.

I know you have many conferees today that will show you the dangers that SB 379 contains. I will not take up your time with that. The issue of the connection to KS fruit and how that is essential to the promotion and growth of Acres of KS grapes is also addressed by your own revisors office in the brief from Jason Long. This is vital to the health and continuation of the incubator Farm Winery license. To understand this issue one must understand why the Farm Winery license was created and its intent in the fostering of value added specialty crops for Kansas agriculture.

Also we believe that if advanced and eventually passed, as outlined above, this measure will begin the decline of FARM Wineries for the benefit of out of state producers. Please help us to save, elevate and promote Kansas as a wonderful wine state with amazing KANSAS wine made from Kansas fruit. There is additional information and discussion on the back.

Thank you for your time, service and consideration,

Philip Bradley

House Federal & State Affairs

Date: 3-29-12

Attachment # 22

Representing the Kansas Viticulture and Farm Winery Association



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For arguments sake, assume that there is a new winery. And they need fruit/juice until their own is producing. Why are they not buying KS fruit/juice? This is a serious question and needs a considered reasonable answer from the advocates of change.

If they say it is unavailable then they should have some evidence to support such a claim. Has any been presented? And there is a way to apply for a variance. I say again has anyone ever been denied a legitimate request. In fact has anyone ever been denied a request? There was such a request granted by the ABC just last month. How many requests have even been made? If there are none or few wouldn't that indicate an adequate supply of KS grown fruit?

Could it be someone wants to change the law to allow them to buy products from out of KS because of pricing issues? If so then the current statute is working just the way it was designed because it helps to create and ensure a market that will incentivize a landowner to plant and grow grapes.

And we have a way for that new producer to use out of state juice now as a manufacturer. They can even do that and then get a Farm winery license in addition when their grapes are ready to produce.

It seems this is about developing wineries to manufacture wine unconnected to KS Grown products and about being relieved from the requirement of growing or buying Kansas agriculture products and has nothing to do with labeling or stimulating KS grape crops.

And the comparison to Microbreweries and Micro distilleries has a major flaw. And that is that Farm wineries were given the right to self-distribute. That is the one thing that separates them all. And is the condition that in other states when it is taken away is said to kill not just the Farm winery industry but the entire instate wine industry. It forces them to be big and to consolidate to achieve the efficiencies of mass so they can survive selling at wholesale.

And I believe that this is really what all the efforts are all about. Advocates want all the special privileges that were granted to stimulate the growth of fruit in KS without the requirement of actually helping the growth in KS.

This is not a hard issue but it is challenging to peel back the layers of things that do not relate to the core question. The proponents are trying to make this about labeling, this is not about labeling, we already have to comply with Federal TTB labeling and KS has no ability to do anything about that label issue. Labeling only confuses the issue (which may be what some want). Labeling is a Federal compliance issue, not state content issue. Proponents are trying to make this about market and not about agriculture acres. The Farm Winery license is primarily about a value added product from grapes/agriculture. Please do not let it become about making more wine, it is about planting more grapes and fruit. It is about acres of grapes for a stable farm crop. Wholesalers don't all presently object to our right to self-distribute as long as we have to use Kansas content (grapes). If that connection is lost then this could cause another issue. The "Granholm challenge. That has stopped and killed the winery industry in other states. We need to protect the agriculture fruit growing to protect farm wineries.



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