James (Jim) Trezise has been President of the New York Wine & Grape Foundation since its creation in 1985, and has been involved with the industry since 1982. Jim is also widely recognized for his leadership in the American wine industry, having received the first-ever "Distinguished Service Award" from the American Society for Enology and Viticulture (Eastern Section). He is actively involved with several national and international organizations focusing on key issues affecting the grape and wine industry worldwide. He serves as Director of Communications of the Federation Internationale des Vins et Spiritueux (International Federation of Wines and Spirits) based in Paris. He also serves on the Executive Committee and Board of Directors of the WineAmerica, is a co-founder of the American Wine Alliance for Research and Education, and has been active in many other industry organizations. He is a frequent speaker on major issues at conferences throughout the United States, as well as a professional wine judge at several international competitions, and the author of articles which have appeared in The New York Times and other media.

Our Goal: “To have the New York grape and wine industry recognized as a world leader in quality, productivity and social responsibility.”

New York Grapes
The Best of the bunch!
20-Year Perspective

• Creation and Operation of Foundation
• Results and Economic Impact
• Challenges and Opportunities
• Secret of Success

Wine Production by State

- California: 90%
- New York: 4%
- Washington, Oregon & Idaho: 3%
- Others: 3%

New York Wine & Grape Foundation

• Created by 1985 State Legislation
• Public-Private Partnership
• Promotion and Research
• All Grape Products: Juice, Wine, Table Grapes
• All Regions: Long Island, Hudson Valley, Finger Lakes, Niagara Escarpment, Lake Erie and others
• Nationally Recognized for Innovation and Leadership
• From Economic Crisis to Dramatic Success
Funding
Public-Private Partnership
• State Matching Funds
• Federal Matching Funds
• Program Fees
• Research Grants
• Special Grants
• Promotional Materials Sales
• Dues

Private vs. Public Funding
Funding 2004-2005
Private
49%
Public-
State
15%
Federal
30%
Funding 2005-2006
Private
46%
Public-
State
36%
Federal
48%

Private Funding: Dues by Region
Finger Lakes
65%
Hudson Valley
5%
Long Island
26%
Lake Erie/Niagara
Escarpment
8%
State Investment in Grape & Wine Industry 2004*
*Both 2004 and 2005 are shown for New York

State Investment per Winery

State Investment per acre

40 35th Annual New York Wine Industry Workshop
Programs

Promotion
Research
Export

Promotion: Staff Activities

- Financial Development
- Program Development
- Program Direction & Administration
- Media Relations
- Export Promotion
- National Campaign
- Industry Training & Education

Research

Viticulture
Enology
Wine and Health
### Listing of Viticulture Projects & Special Projects

- Bates
  - Improving Wine Grape Production in Acid Soils
- Bates
  - Response of Concord to Salt pH
- Burt
  - Management of Crown Gall
- Chang
  - Molecular Characterization & Disease Resistance (N)
- Cheng
  - Nitrogen Uptake, Partitioning & Utilization in Concord
- Cousins
  - Evaluation of Rootstocks for Concord Grapes
- English
  - Identification of Plant Host Volatiles (GBM)
- Galaty
  - Investigation of Pathogen Biology & Ecology (PM)
- Gadoury
  - Effects of Crop Leaf Adjustment on Fruit Quality
- Gadoury
  - Epidemiology & Control of Downy Mildew
- Gadoury
  - Investigation of Pathogen Biology & Ecology (PM)
- Goffinet
  - Effects of Crop Leaf Adjustment on Fruit Quality
- Henick-Kling
  - Evaluation of Rootstocks for Concord Grapes
- Henick-Kling
  - Yeast & Lactic Acid Bacteria in New York Wines
- Henick-Kling
  - Wine Analytical Laboratory and New York Wine Data Bank
- Kahl
  - Levels of Resveratrol in Concord Grapes
- Laks
  - Grape Root Growth & Physiology
- Landers
  - Optimizing Spray Penetration & Deposition
- Morris
  -Managing Vine Vigor & Improving Red Wine Grape Quality
- Morris
  -Grape Root Growth & Physiology
- Nyrop
  - Determining whether ERM are Serious Pests of the NC
- Pool
  - Evaluation of New Wine Grape Varieties
- Reisch
  - Expression of Anti-Microbial Genes
- Wilcox
  - The Biology and Control of Phomopsis
- Wilcox
  - Biology, Epidemiology & Control of Botrytis
- Wilcox
  - Factors Influencing the Performance of New Fungicides
- Wilcox
  - Mecca for Tourists
- Wise
  - Evaluation of Wine Grape Cultivars & Clones on Ll
- Wise
  - Managing Wine Grapes in an Ecological Sensitive Reg

### Export

- Canada
- United Kingdom
- Generic Program
- Branded Program
- Promotional Materials

### New York Wine & Grape Foundation 1985-2005: Results and Economic Impact

- Phoenix Rising from the Ashes
- International Recognition
- Explosive Growth of wineries
- Rural Renaissance
- Optimism and Confidence
- Shining Star of Agriculture
- Value-Added Agriculture
- Mecca for Tourists
- Locomotive Pulling Train of Economic Development
- Continuing Challenges
Full Economic Impact of Wine, Grapes and Grape Juice in New York State in 2004

$3.4 Billion*  

<table>
<thead>
<tr>
<th>NYS Wine, Grapes &amp; Juice Products</th>
<th>Economic Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time Equivalent Jobs</td>
<td>23 thousand</td>
</tr>
<tr>
<td>Wages Paid</td>
<td>$786 million</td>
</tr>
<tr>
<td>Winery Sales</td>
<td>$419.6 million</td>
</tr>
<tr>
<td>Grape Sales</td>
<td>$30 million</td>
</tr>
<tr>
<td>Grape Bearing Acres</td>
<td>31 thousand</td>
</tr>
<tr>
<td>Grape Juice Product Revenues</td>
<td>$27 million</td>
</tr>
<tr>
<td>Wine-Related Tourism Expenditures</td>
<td>$312 million</td>
</tr>
<tr>
<td>Number of Wine Related Tourists</td>
<td>4.14 million</td>
</tr>
<tr>
<td>Number of Grape Farms</td>
<td>1384</td>
</tr>
<tr>
<td>taxes Paid (state and local)**</td>
<td>$372 million</td>
</tr>
</tbody>
</table>

*Does not include $2.6 billion additional impact from out-of-state wines.

**Underestimate as no data available on property taxes paid by wineries or vineyards other than personal property taxes.

New York Winery Survey 2004
Conducted by New York Agricultural Statistics Service

Highlights

- This survey, similar to previous ones from 2000 and 1998, shows wine industry growth since creation of the New York Wine & Grape Foundation in 1985. Some statistics are derived from other sources like the federal Tax and Trade Bureau and the New York State Liquor Authority.
- In the 30 years since 1975, the number of New York wineries has multiplied over 10-fold from 21 to 212, with 148 established since 1985.
- 63 new wineries were established in the first five years of the 2000 decade, equal to the number for the entire 1990’s—essentially doubling the growth rate.
- Wine production has increased by over 50% since 1985 to nearly 200,000,000 bottles annually.
- The number of tourists visiting wineries has multiplied over 10-fold since 1985 from 384,000 to 4,137,000, with a significant share coming from other states.
- Between 2000 and 2003, tourist visits to wineries increased by 54% and per-visitor spending by 49%, meaning total spending (and excise and sales taxes) more than doubled.
- Excise and sales taxes from direct sales at the winery tasting rooms—a small portion of the total—increased from about $3 million in 2000 to over $7 million in 2003.
- The average winery invested $500,000 between 2000 and 2003 in vineyards, wine production, tasting rooms, and other facilities, supporting other economic sectors.

What’s in a bottle of wine?

$6 Billion
$6,000,000,000

$3.4 Billion New York
$2.6 Billion Other
The Farm Winery Act of 1976 and creation of the New York Wine & Grape Foundation in 1985 both stimulated wine industry growth.

The 1990’s were the strongest growth period, but the current decade is likely to double that. In just five years the number of new wineries has equaled that of the entire past decade.

32 Counties now have wineries
About 3/4ths of all New York grapes are used for grape juice, 1/4th for wine and 1% for table grapes—with total volumes dependant on the size of the harvest.

New York Grape Utilization

Wineries by Type

For over a decade, the strong growth of the New York wine industry has been in the establishment of new, small “farm” wineries producing fewer than 150,000 gallons annually—and with most in the range of 10,000 to 50,000 gallons. Today 87% of all wineries are farm wineries and 13% commercial wineries. However, the commercial wineries account for 95% of total production. In short, both types of wineries are very important to the industry and New York’s agricultural and tourist economies.

<table>
<thead>
<tr>
<th></th>
<th>Licenses</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm</td>
<td>87%</td>
<td>5%</td>
</tr>
<tr>
<td>Commercial</td>
<td>13%</td>
<td>95%</td>
</tr>
</tbody>
</table>

Wine Production has increased significantly since 1985 in both the “commercial”* and “farm” winery sectors.

Wine Production

*Note: The 6% decrease in 2003 reflects the closing of a large production facility and limited grape availability. Virtually all farm wineries reported substantial production increases, ranging from 28% to 64% for various wine trails.
The number of tourist visits to New York’s wineries has increased over tenfold—over 4 million—since 1985, bringing major benefits to local economies. The number of visits increased by 54% in three years.

Between 2000 and 2003, the number of visits increased by 54% and sales per visitor by 49%—meaning sales at tasting rooms (and related excise and sales taxes) more than doubled.

Sales taxes and excise taxes generated by direct sales at winery tasting rooms more than doubled to over $6 million in 2003. This is a small portion of total taxes generated.
All major wine regions have grown in tourism, though the Finger Lakes accounts for a large majority of visitors.

Wine Country Tourists

Wine Country is important not just for attracting New York residents, but many people from other states and countries who may purchase much more wine than the New Yorkers due to the difficulty in finding New York wines in other states.

Place of Origin for Visitors

The average winery invested half a million dollars in three years, stimulating other businesses like construction, equipment supply and transportation.

Winery Investment 2001-2003
Programs for Growers

- Viticultural Research (2/3rds of all research)
- Wine & Health Research
- Computer Training
- Concord Health Benefits
- Concord Grape Belt Heritage Association
- Crop Insurance Summit
- Situational Analysis Seminars
- New York Grapevine Newsletter
- Research Summaries
- Support of Cornell Co-op Extension
- Financial Management for Growers
- Benefits from All Programs

Challenges and Opportunities

- Concord Grape Market
- Imbalance of Supply and Demand
- State Vineyard Acreage
- Weather

- Superb Track Record
- Public Sector Awareness & Support
- NYWCC
- Foundation of Cooperation

Concord Grape Market 1985-2005

<table>
<thead>
<tr>
<th>Year</th>
<th>Acreage</th>
<th>Tonnage</th>
<th>Price/Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>22,963</td>
<td>79,829</td>
<td>$120</td>
</tr>
<tr>
<td>1990</td>
<td>21,006</td>
<td>n/a</td>
<td>$287</td>
</tr>
<tr>
<td>1997</td>
<td>19,948</td>
<td>96,600</td>
<td>$228</td>
</tr>
<tr>
<td>2001</td>
<td>20,584</td>
<td>107,200</td>
<td>$264</td>
</tr>
<tr>
<td>2002</td>
<td>20,584*</td>
<td>107,770</td>
<td>$266</td>
</tr>
<tr>
<td>2003</td>
<td>20,584*</td>
<td>104,000</td>
<td>$187</td>
</tr>
<tr>
<td>2004</td>
<td>20,584*</td>
<td>99,300</td>
<td>$174</td>
</tr>
</tbody>
</table>

* Year-specific acreage not available, so this is estimated
Imbalance of Winegrape Supply and Demand 1985-2005

<table>
<thead>
<tr>
<th>Year</th>
<th>Acreage*</th>
<th>Tonnage*</th>
<th># of Wineries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>12,333</td>
<td>35,000</td>
<td>68</td>
</tr>
<tr>
<td>1990</td>
<td>11,000</td>
<td>45,000</td>
<td>85</td>
</tr>
<tr>
<td>1997</td>
<td>10,500</td>
<td>46,000</td>
<td>115</td>
</tr>
<tr>
<td>2001</td>
<td>10,500</td>
<td>50,000</td>
<td>160</td>
</tr>
<tr>
<td>2004</td>
<td>10,333</td>
<td>47,000</td>
<td>208</td>
</tr>
</tbody>
</table>

*Estimate based on one-third of all acreage being devoted to wine production

Secrets of Success

Diversity = Strength
Unity = Power

Growers…Wineries…Juice Producers…Researchers…Educators…Wholesalers…Retailers…Restaurants…Consumers…Elected Officials

Diversity Unity Quality Social Responsibility Productivity