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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.

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



[www.newyorkwines.org](http://www.newyorkwines.org)

New York  
Grapes  
The Best of the Bunch!



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## 20-Year Perspective

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

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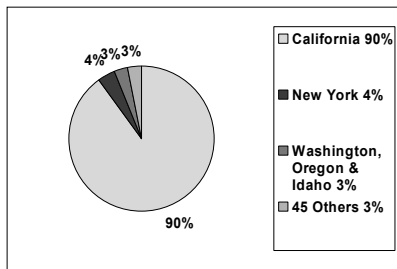
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## Wine Production by State



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## 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

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## Funding Public-Private Partnership

- State Matching Funds
- Federal Matching Funds
- Program Fees
- Research Grants
- Special Grants
- Promotional Materials Sales
- Dues

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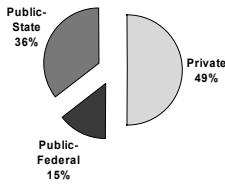
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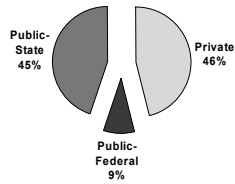
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## Private vs. Public Funding

**Funding 2004-2005**



**Funding 2005-2006**



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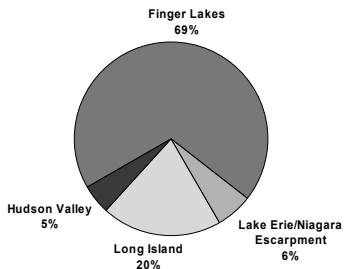
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## Private Funding: Dues by Region



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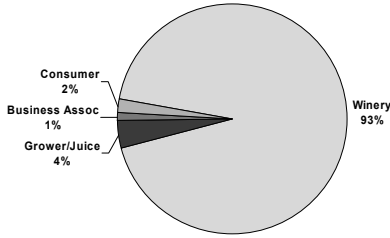
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### Private Funding: Dues by Category



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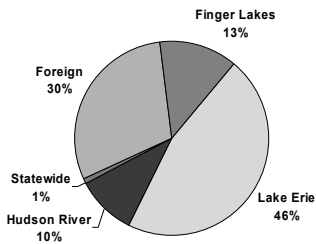
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### Private Funding: Research by Region



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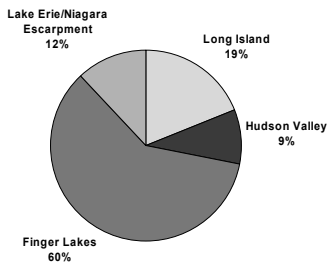
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### Private Funding: Promotion by Region



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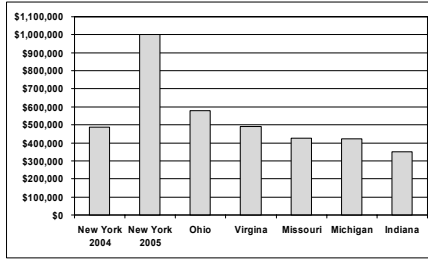
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### State Investment in Grape & Wine Industry 2004\*

\*both 2004 and 2005 are shown for New York



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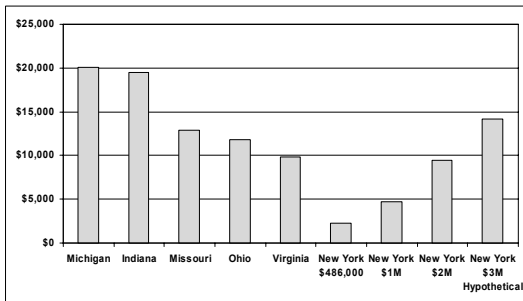
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### State Investment per Winery



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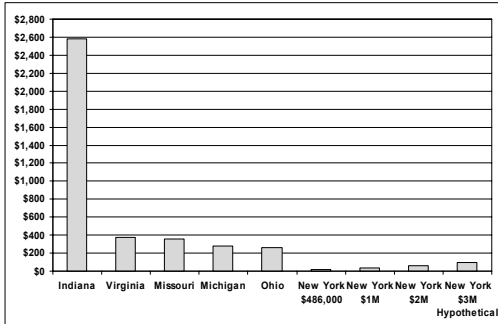
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### State Investment per acre



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## Programs

New York  
Grapes  
The Best of the Bunch!



Promotion  
Research  
Export



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## Promotion: Staff Activities

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

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## Research

Viticulture  
Enology  
Wine and Health

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**Listing of Viticulture Projects & Special Projects**

- Bates Improving Wine Grape Production in Acid Soils
- Bates Response of Concord to Soil pH
- Burr 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-Loeb Identification of Plant Host Volatiles (GBM)
- Gadoury Epidemiology & Control of Downy Mildew
- Gadoury Investigation of Pathogen Biology & Ecology (PM)
- Goffinet Effects of Crop Load Adjustment on Bud Fruitfulness
- Herick-Kling Completion of Sensory Analysis & Flavor Chemistry
- Herick-Kling Yeast & Lactic Acid Bacteria in New York Wines
- Herick-Kling Winemaking Practice & Occurrence of Brettanomyces Bruxellensis
- Herick-Kling Wine Analytical Laboratory and New York Wine Data Bank
- Kummer Levels of Resveratrol in Concord Grapes
- Lakso Grape Root Growth & Physiology
- Landers Optimizing Spray Penetration & Deposition
- Merwin Managing Vine Vigor & Improving Red Wine Grape Quality
- Morris Total Vineyard Mechanization
- Nyrop Determining whether ERM are Serious Pests of the NE
- Pool Evaluation Adaptation & Wine Quality of Promising Clones
- Reisch Evaluation of New Wine Grape Varieties
- Reisch Expression of Anti-Microbial Genes
- Weigle Addressing Late Season GBM Damage
- Wilcox The Biology and Control of Phomopsis
- Wilcox Biology, Epidemiology & Control of Botrytis
- Wilcox Factors Influencing the Performance of New Fungicides
- Wilcox Regaining Control of Grape Powdery Mildew
- Wise Evaluation of Wine Grape Cultivars & Clones on LI
- Wise Managing Wine Grapes in an Ecological Sensitive Reg

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**Export**

Canada  
 United Kingdom  
 Generic Program  
 Branded Program  
 Promotional Materials

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**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

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Full Economic Impact of Wine, Grapes and Grape Juice  
in New York State in 2004

**\$3.4 Billion\***

<u>NYS Wine, Grapes &amp; Juice Products</u>	<u>Economic Impact</u>
Full-time Equivalent Jobs	23 thousand
Wages Paid	\$786 million
Winery Sales	\$419.8 million
Grape Sales	\$30 million
Grape Bearing Acres	31 thousand
Grape Juice Product Revenues	\$27 million
Wine-Related Tourism Expenditures	\$312 million
Number of Wine Related Tourists	4.14 million
Number of Grape Farms	1384
Taxes Paid (state and local)**	\$372 million

\*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.

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**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 1990s—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.

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**What's in a bottle of wine ?**

**\$6 Billion**

**\$6,000,000,000**

**\$3.4 Billion New York**

**\$2.6 Billion Other**

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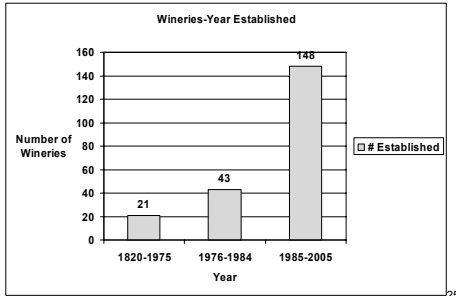
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The Farm Winery Act of 1976 and creation of the New York Wine & Grape Foundation in 1985 both stimulated wine industry growth.



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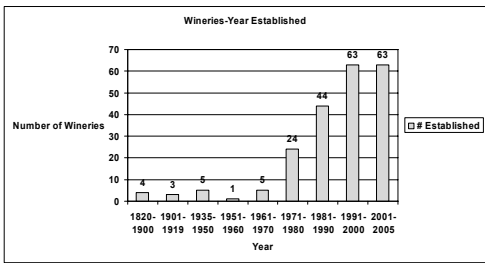
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The 1990's were the strongest growth period, but the current decade is likely to double that. In just five years the number of new wineries has equaled that of the entire past decade.



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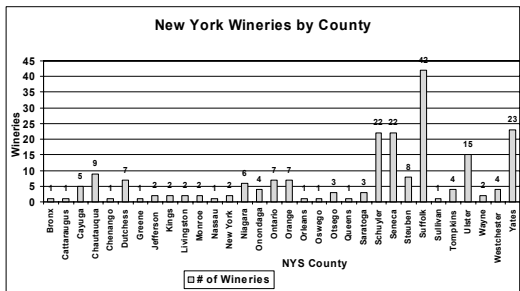
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### 32 Counties now have wineries



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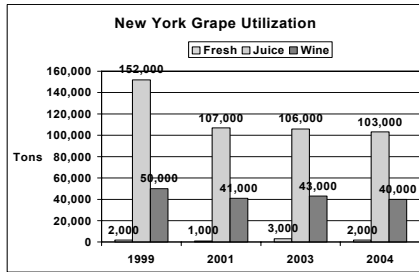
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About 3/4<sup>ths</sup> of all New York grapes are used for grape juice, 1/4<sup>th</sup> for wine and 1% for table grapes—with total volumes dependant on the size of the harvest.



\* Includes other processing for jam, jelly etc.

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### 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.



	Licenses	Production
Commercial	13%	95%
Farm	87%	5%

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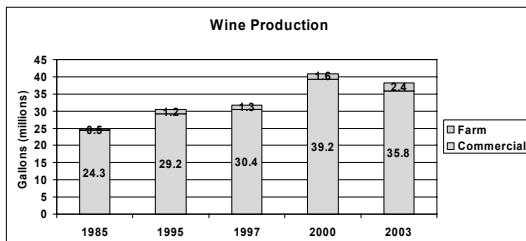
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Wine Production has increased significantly since 1985 in both the "commercial"\* and "farm" winery sectors.



\*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 29% to 44% for various wine trails.

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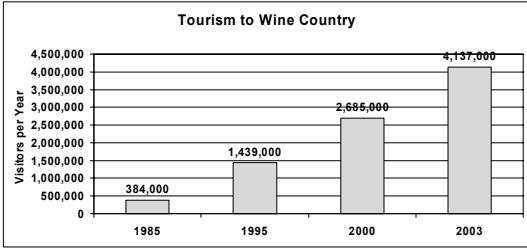
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The number of tourist visits to New York's wineries has increased over ten fold-- to over 4 million-- since 1985, bringing major benefits to local economies. The number of visits increased by 54% in three years.



\*Note: Since the latest data is from 2003, it is likely that this figure has increased.

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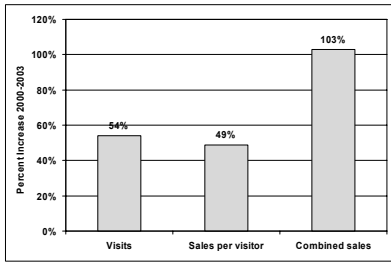
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Between 2000 and 2003, the number of visits increased by 54% and sales per visitor by 49% -- meaning sales at tasting rooms (and related excise and sales taxes) more than doubled.



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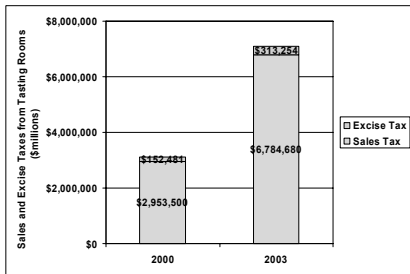
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Sales taxes and excise taxes generated by direct sales at winery tasting rooms more than doubled to over \$6 million in 2003. This is a small portion of total taxes generated.



\*NOTE: Wine is the only farm product subject to excise taxes and sales taxes.

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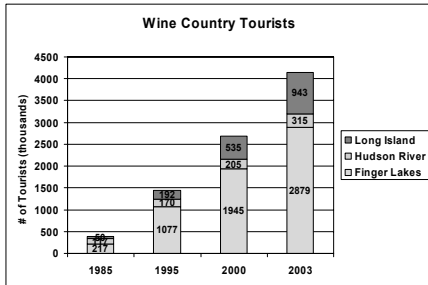
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All major wine regions have grown in tourism, though the Finger Lakes accounts for a large majority of visitors.



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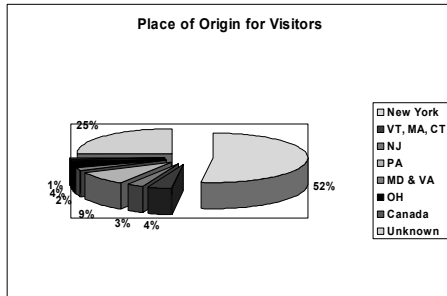
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Wine Country is important not just for attracting New York residents, but many people from other states and countries who may purchase much more wine than the New Yorkers due to the difficulty in finding New York wines in other states.



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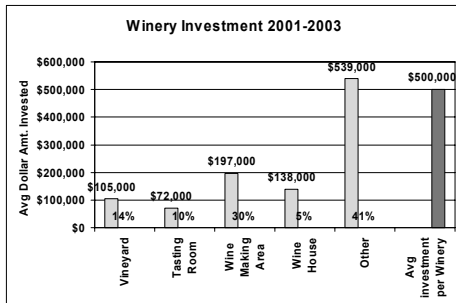
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The average winery invested half a million dollars in three years, stimulating other businesses like construction, equipment supply and transportation.



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## Programs for Growers

- Viticulture 2000, 2003, 2007
- 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

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## 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

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## Concord Grape Market 1985-2005

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

\* Year-specific acreage not available, so this is estimated

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## Imbalance of Winegrape Supply and Demand 1985-2005

Year	Acreage*	Tonnage*	# of Wineries
1985	12,333	35,000	68
1990	11,000	45,000	85
1997	10,500	46,000	115
2001	10,500	50,000	160
2004	10,333	47,000	208

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

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## Secrets of Success

Diversity = Strength  
Unity = Power

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

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Diversity

Unity



Quality

Social  
Responsibility

Productivity

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