RE: Kansas Farm Wineries and opposing SB379, amendments to KSA 14-308a

I'm Ross Jory in Shawnee Co. KS part-time, and the rest of the time I'm in Portland Oregon.
Today, I'm only a want-to-be winemaker and grape grower; I have started by training in viticulture online with the VESTA program at MSU and Highland Community College. I'm here today to ask you in the legislature to listen to the innovators, such as Greg Shipe in Eudora, and Michelle Meyer of the Kansas Viticulture and Farm Winery Association (KVFWA). As a potential future grape grower, I ask that you listen to their recommendation of yea and nay on the various nuances of legislation that impacts the Farm Winery industry.

My family has owned and operated farm ground (just row crops) and pasture land in and around the Kaw Valley since the 1870's. I've made plans to move here and hope to be the fifth generation to operate our pastures and farm (although I am not a Kansas resident today, I do pay property tax and income tax in the state).

I'll direct your attention briefly to the Oregon Pinot and wine industry story (my residence of recent years). In the 1960's and 1970's the Oregon wine industry was very small, especially in comparison to its southern neighbor. Some crazy fools (AKA pioneers and innovators) tried growing cool season grape cultivars, including Pinot noir, Chardonnay, and many others. The world over, in every locale, growers and winemakers spend many years selecting, planting, tending, fermenting, and cellaring, choosing from among the hundreds of grape varietals and nuances of production methods, all in an attempt to produce a better product. The intensely regional nature of the grape, it's thousands of unknown and little-understood flavor components, are determined by its unique place on the earth, the climate, soil properties, and growing season.

Oregon went from a sleepy non-entity to encompass (at the end of the 2008 growing season) some 19,300 planted acres, 370 wineries, and 13 American Viticultural Areas (AVAs); today the industry is worth upwards of a billion dollars, and wine tourism wine sales (direct premises sale to consumer, wholesale, and direct shipped out of state) generate significant revenue. The 2008 crush was of 32,600 tons of grapes; using a conservative harvest value of $2,000 per ton the net crush value alone was $64 million. A successful state economy is diverse in its industries and revenue sources, and its laws incubate innovation and encourage variety. To the south, California has so many mega-scale growers now, they don't know what to do with all the juice that is produced.

In the case of growers, a commitment of decades is required. I am looking to grape growing because I like it and I am looking for opportunities to produce something that I can sell directly. However, to take a piece of land (pasture, row crop) out of production is a multi-decade commitment, and the lost revenue (opportunity cost) for several years is only recouped much later. If a Kansas grower and farm winery will now be undercut by high-volume purchase of out-of-state juice, it kills the whole (local) business proposition while this industry is still in its infancy with a lot of small producers.

As Greg Shipe points out in his testimony, it is still possible for the manufacturing statute to have a life of its own separate from the Farm Wineries statues, and the two should not be muddled together to the detriment of the Farm Wineries. I agree with Greg's argument that Farm Wineries will find some of the proposed changes untenable because the some statute changes will destroy the very "brand identity" and pride of place of the farm winery.

I'd add a final point, that Kansas grape growers (potentially me) buy specialized farm equipment, chemical, infrastructure and nursery products that support many other businesses in the state. Every bulk purchase of out-of-state juice means that grapes are not grown and crushed in the states, and thus the follow-on economic benefits to the ag economy do not occur.

As I understand the intent of the Farm Winery designation, 60% of the product must be Kansas grown and will thus support the in-state growers and their allied businesses, and the label provides a truthful account of the contents. If juice from anywhere can be labelled the same way, I think it makes it untenable to plant grapes in this state because the "farm winery" brand will in fact never be a regional brand identity. It will not make sense to have a Kansas Pinot noir, until someone can get Pinot to grow here at a commercial scale, nor does it make any sense to buy Oregon Pinot juice, produce and bottle it here as "Kansas Pinot wine," a possibility that I understand could occur under the proposed legislative changes. And more to the point, a Kansas grower can't recover their costs because she/he can't compete with the economies of scale when a neighboring "manufacturer" buys from a California grower (with Cabernet on tens of thousands of acres) but is still allowed to use the same label designation as a farm winery. So I ask that you please listen to Greg Shipe and not let that "label dilution" happen.

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