

**Testimony**

**To: The Honorable Pete Brungardt, Chairman  
And the Members of the Senate Committee for Federal & State Affairs**

**From: Jo Ann Kuhlmann, Owner Eagle Creek Vineyards, Olpe;  
KGGWA, current board member and past-president;  
Kansas Grape & Wine Advisory Council, member**

**RE: SB 379 & 390, regarding farm wineries; Kansas fruit requirement**

**Date February 21, 2012**

Chairman Brungardt and members of the Committee:

Eagle Creek Vineyards grows grapes. Our first grapes were planted in 2004 and we now have over 10,000 vines, not all of which are in production. My business plan includes producing quality grapes for sale to quality Kansas farm wineries.

I first started attending hearings and other regulatory meetings in 2006. I've noted that many of these discussions concentrate on impacts to wineries. Which is fair – wineries are the “public face” of our industry. I also acknowledge that Kansas growers cannot meet the current fruit requirements of our Kansas wineries.

But, I would also like to raise awareness on some of the many grower issues.

- ▶ Long business cycle (typically 3-5 years to receive your first crop revenue)
- ▶ High, front-loaded capital requirements (generally, \$10,000-20,000 per acre)
- ▶ Weather issues (Farmers in general, lose 1 crop out of 10)
- ▶ Risk management options are extremely limited
- ▶ Instability in industry rules and regulations (also impacts growers)
- ▶ Concern there will be a customer at harvest time, who will pay on time

I don't know anyone in this industry who isn't passionate about their craft. As such, you can imagine the wide range of opinions generated by this topic. Since entering our industry, I've been listening, reading, and watching. Kansas is behind neighboring states in terms of wine production and is falling further behind as time goes on. So what we're doing now isn't working.

Growers, like wineries, need to make a living. When I attended that Senate committee hearing in 2006, I firmly believed that 60/40 was the safety net that ensured I had paying customers at harvest. But, I've since changed my mind and now believe that a financially-successful customer is what ensures a market for my grapes. So if I have a crop failure one year, the reduced fruit requirement allows my customer to continue in business and still be there next year to again buy my crop.

For that reason I support reducing/eliminating the fruit requirements found in 41-308a. Thanks for your consideration of my testimony.