



800 South Main Street, Suite 200
Canandaigua, NY 14424
T 585-394-3620 • F 585-394-3649
www.newyorkwines.org

Sam Filler, Executive Director
Susan Spence, Vice President
Teresa Knapp, Project Manager
Dana Alexander, Director of Business Development
Kim Hughes, Program Manager
Jennifer Cooper, Special Projects Manager
Valerie Ross, Director of Member Relations and Development

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**Testimony for the Joint Legislative Public Hearing on 2018-2019 Executive Budget Proposal: Topic
Environmental Conservation**

Sam Filler, Executive Director, New York Wine and Grape Foundation (NYWGF)

Good afternoon. My name is Sam Filler and I am the Executive Director for the New York Wine and Grape Foundation (NYWGF), an organization created by state law in 1985 to lead statewide promotional and research programs on behalf of the grape and wine industry. I would like to thank all the members of the Environmental Conservation Joint Legislative Committee for providing NYWGF this opportunity to participate in today's hearing on the proposals related to Environmental Conservation and Agriculture in the Governor's Executive Budget for State Fiscal Year 2018-2019.

Due to the strong support from this Committee and the annual budget commitment from the New York State Legislature, NYWGF has been able to execute impactful research and promotion programs on behalf of the wine and grape industry. The State's annual investment has supported research that has led to breakthroughs in pest and disease management, development of new grape varieties, and improved vineyard management practices. And, investments in promotion have attracted record number of tourists, and seen the establishment of the very first US wine trail in 1983 on Cayuga Lake to over 18 wine and culinary trails across every region in the state today. This public-private funding partnership drives the industry's growth and makes it a major state economic engine that generates more than \$5.5 billion in direct economic impact.

Since 2012, the New York wine industry has added an additional 110 new wineries, for a total of 429 licensed wineries, and at least one licensed winery can be found in almost every county in New York (except for Hamilton, Fulton, and Richmond). The New York grape and wine industry provides good jobs across the state, directly employing as many as 62,450 people and paying an average of \$51,100 in annual wages and benefits. According to WineAmerica, the industry will contribute nearly \$1.1 billion in state and local taxes, and New York's wine and culinary trails will generate 4.5 million tourist visits and \$1.8 billion in annual tourism expenditures, benefiting local economies and tax bases.

For the SFY 2018-2019, NYWGF requests an increase in its funding from \$1,020,000 to \$1,520,000 to initiate new research and promotional programming. Governor Cuomo has included \$713,000 for NYWGF in his Executive Budget proposal. We are requesting that the legislature again add \$307,000 in supplemental funding to ensure that we can continue our core multi-year research and promotion projects on behalf of the industry. The availability of state funds creates an important inducement to encourage private sector industry contributions, and for NYWGF to receive \$855,000+ from the industry in matching funds.

This year we are requesting an additional \$500,000 specifically to assist the Western New York and Finger Lakes Concord grape growers who are experiencing very challenging times. The market for juice grapes in the U.S. is declining as consumers preferences are shifting from carbohydrate-rich drinks. This concerns Western New York

and Finger Lakes juice grape growers as they had a fourth straight year of low prices for concord grapes after the 2017 harvest. Companies or cooperatives which used to be reliable purchasers of concord grapes for juice have disappeared, merged, or drastically reduced their purchases by 50% or more at prices not sustainable for the growers. The growth of the wine industry is keeping some market prices at sustainable levels, while the juice and jelly market struggles.

New York's concord and native grape growers require additional attention and resources from the State to keep their farms viable. NYWGF took action this past fiscal year to address the concord crisis by investing \$16,900 in product development research at Cornell University. Research was conducted this past fall to determine the viability of denaturing concord juice and concentrate so it can be used as a neutral blending juice for wineries. If successful, this research will help create an additional market for grape farmers, and wineries will have access to affordable blending juice. Welch's has already pledged financial support to continue this research project for this upcoming fiscal year based on this fall's initial research results. Additional state funding for concord product development research will assist this industry in identifying new products and uses for their grapes while keeping farms operational.

I thank you again for this Committee's support of NYWGF. The wine and grape industry benefits from NYWGF's successful long-term partnership with the State of New York. This partnership will continue to drive positive economic growth and job creation for the state. We would greatly appreciate the State continue and maintain its funding commitment during this upcoming budget cycle, and that the additional funding request be considered as a valuable investment in extending the economic impact of this industry for farmers and the State.