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DEPARTMENT OF AGRICULTURE AND MARKETS ANNOUNCES ACTIONS TO ASSIST FARM WINERIES AFFECTED BY HARSH WINTER CONDITIONS

State Agriculture Commissioner Richard A. Ball today announced that, due to harsh winter weather conditions, actions have been taken to protect the state's farm wineries that were potentially impacted. At the second Wine, Beer, Spirits and Cider Summit, Governor Andrew M. Cuomo directed the state Department of Agriculture and Markets to work with partners to assess the damages incurred by the state's wine industry, and, should grape yields dictate, allow farm wineries to purchase grapes grown outside of New York State. As a result of the damage assessed in surveys conducted by Cornell Cooperative Extension (CCE), Commissioner Ball has issued a determination, pursuant to state law, allowing farm wineries to manufacture or sell wine from grapes grown outside of New York, as well as juice produced outside the state.

"The state's grape harvest is fast approaching and due to freezing temperatures that severely damaged plants throughout the state, there will be more demand than supply for New York grapes," said Commissioner Ball. "We need to give New York's world class farm wineries every tool possible to succeed this year, and this is a strong tool that can provide the industry with immediate assistance. I thank our friends at Cornell for assessing the damage on behalf of the wine industry."

Commissioner Ball continued, "I've heard stories from owners of wineries across the state. Some vineyards received little to no damage this winter, while neighbors just down the road were devastated. This declaration gives wineries the flexibility to adjust to their own unique situations."

Scott Osborn, President of Fox Run Vineyards in Penn Yan, said, "We experienced as much as 75 percent bud damage over the winter, as did many other growers who grow the same grapes that we do. There are only so many grapes out there in our region, and right now there are more buyers than there are grapes. This declaration will help us keep our wine production up so we can meet our obligations to our customers, including wine lovers and restaurants across the world. I'd like to thank the Governor and Commissioner Ball for their leadership and quick action on this matter."

By law, all wine produced by a New York farm winery must be made completely from grapes, fruits or agricultural products grown in New York State. Due to the harsh winter conditions, 15 grape varieties the state experienced over a 40 percent loss, putting heavy demand on the surviving grapes. State law allows the Commissioner of Agriculture and Markets to give authorization to a farm winery to manufacture or sell wine produced from grapes grown outside of New York if an investigation

shows that adverse weather conditions have destroyed no less than forty percent of a specific grape varietal grown or produced in the state. This is the first time such a declaration has been made in New York State since 2005 and applies to farm wineries statewide.

The combination of harsh winter temperatures, sustained cold, lack of snow cover, as well as alternating warmer and colder temperatures killed critical fruiting buds, vastly reducing 2014's grape yield. Vineyards also saw trunk damage, which would necessitate the need for an entire plant to be replaced. Grape varieties covered under this declaration include: Riesling, Cabernet Franc, Pinot Noir, Chardonnay, Gewürztraminer, Merlot, Pinot Gris, Cabernet Sauvignon, Lemberger, Syrah, Gamay Noir, Brianna, Frontenac, La Crescent, and Noiret.

Jim Trezise, President of the New York Wine and Grape Foundation, said, "Wine is farming first and foremost, and when we are affected by a major weather event like this past winter that significantly reduces the amount of certain grape varieties, it is vital for wineries to source products from other regions in order to maintain their presence in the marketplace. We hope and expect that next year will be more normal and this action will not be needed. In the meantime, we greatly appreciate Governor Cuomo and Commissioner Ball's initiative to help the New York wine industry in a very unusual situation."

Kathryn Boor, the Ronald P. Lynch Dean of Cornell University's College of Agriculture & Life Sciences, said, "The success of our vineyards and wineries are central to the economy of New York, and on behalf of the College of Agriculture and Life Sciences, I congratulate the hard work contributed by those completing this survey. This assessment has provided our state leadership with the information needed to implement fast action towards a remedy, and this declaration positions our growers and beverage entrepreneurs with the flexibility needed this year to foster their continued prosperity."

Dean Norton, New York Farm Bureau President, said, "While New York's quality grapes are always preferable, sometimes Mother Nature has other plans. We thank Governor Cuomo and Commissioner Ball for understanding the needs of this thriving agricultural sector. This action will help the affected wineries weather this bump in the road and keep New York's wine industry on the path towards continued economic growth."

State Liquor Authority Chairman Dennis Rosen said, "Since taking office, Governor Cuomo has worked to dramatically improve the business climate for the New York wine industry by modernizing archaic provisions of the law, reducing burdensome regulations, and opening new markets where products can be sold and sampled. The results speak for themselves, with ninety-five new farm wineries and twenty-seven new farm winery branch offices opening across the state since 2011. By issuing this declaration to help our wineries and grape growers recover from this year's harsh winter, this Administration is once again demonstrating its commitment to this vital, homegrown industry."

Pursuant to federal law, all wines will be appropriately labeled relevant to the origin of their grapes. In order for New York wines to be labeled New York wines, at least 75 percent of grape contents must have been grown in New York. It is too soon to know for sure whether or not New York wines will meet these labeling requirements.

An application for farm wineries, including eligibility criteria, is available at the following link:

http://www.agriculture.ny.gov/AP/Farm Winery Application.pdf

New York ranks third in wine and grape production. According to a recent study commissioned by the New York Wine and Grape Foundation, the full economic impact of New York grapes, grape juice and wine in 2012 was \$4.8 billion for New York State.

Since 2011, the number of farm wineries has risen by nearly 50% from 195 to 291 today. In addition, the number of farm wineries opening branch offices, authorized by legislation signed by Governor Cuomo in 2011, has increased by 97%, from 29 to 57, and the number of wineries has also increased, from 52 in 2011 to 76 today, for a total 46% growth.