

**Tongue River Vineyard & Winery, LLC**  
**Bob and Marilyn Thaden**  
**137 Morning Star Lane**  
**Miles City, Montana 59301**

**tel 406-853-1028**

**e-mail: [trwinery@midrivers.com](mailto:trwinery@midrivers.com)**

To the SJ30 committee regarding grapes and wineries in Montana

RE: Supplemental info to support Larry Robertson's letter to you

Friends,

Tongue River Vineyard came into being in 2004, and Tongue River Winery in 2010, a "mom and pop" operation for the past 13 years. We have gradually built up our vineyard from about ¼ acre to three acres, and produce a number of other fruit wines from fruit near Miles City, but also from around Montana and surrounding states.

Let me comment on Larry's letter to you by number:

1. Work Comp rates. I absolutely agree with Larry that the rate is way too high. For most vineyards in Montana, the labor is almost entirely hand labor. We are much more likely to be injured in the winery where power equipment and heavy lifting is common. Promote the use of Work Comp rate 0079. It would save us over \$1000 per year and we only have two employees.

2. WARC has been indispensable as a research arm for vineyards and wineries. It is THE "go to" place for information about what works in Montana. I know the viticulturalists and enologists there personally, and have done research with them reported to the annual Montana Grape and Wine Association meeting.

Our state desperately needs additional vineyard acreage. No less than four wineries have been in competition for the same grapes from a vineyard in Laurel. When F-BAR-3 becomes a winery, those grapes will no longer be available to any of us because they will use them themselves. In bad weather years, we've had to purchase grapes from the Dakotas, Minnesota, Wisconsin, Nebraska and Wyoming. We'd much rather get all of our fruit from Montana.

3. North Dakota allows 24 off-site permits per year where wine can be sold in bottles, including farmer's markets, county fairs and more. Although we use three distributors in Montana, the opportunity to sell by the bottle at Farmer's markets would not only increase our winery income, but open doors for distributors to increase their customer base for our wines.

4. A Farm Winery with two tasting rooms is a no-brainer. Many states offer as many as 5, 15 or unlimited tasting rooms. The example Larry uses (Willow Mountain Winery in Corvallis) is a prime example of an excellent vineyard site with really sub-par winery sales opportunities. Here in Miles City, we're only two miles from Interstate 94 and we sell over 60% of our wine right at the winery. Willow Mountain needs an outlet in Missoula or some similar location to market their products more successfully.

5. Our winery is a success, with a huge caveat: We gross close to \$200,000 a year and are debt free, ONLY because my wife and I are retired (We're 74 years old), have pensions and social security, and could afford to finance our entire operation from our own funds. In addition, we typically have two paid employees, and although I work anywhere from 40-90 hours per week and my wife 15-25 hours, I have not paid us a salary since opening 13 years ago. Our only remuneration from the winery is the \$12,000 lease payment the winery makes to me and my wife. We do this out of passion, but passion won't pay the bills. It would be entirely unrealistic for us in our working years to have done what we have done in early retirement. We make some of the best wine in Montana, but couldn't have done this at all financially at a younger age.

6. There is no training program in Montana for vineyard and winery labor. We have had four interns: two from New York, one from Montana State University and most recently a young man from Argentina who just finished a 5-year degree in enology, which has helped a lot. Bitterroot college starting a viticulture and also an enology program would be a great boon. We are hoping to get a permanent work visa for our Argentinian friend.

25 years ago Iowa had about 5 wineries, and today well over 100. As newer, hardier grapes are developed (WARC is working on that now and NDSU is releasing two super hardy whites this year), Montana is poised to potentially mimic what the wine industry in Iowa has done.

Sincerely,

Bob Thaden

Owner/winemaker, viticulturalist at Tongue River Winery

Past President: MT Grape and Wine Association

Vice President, Winery Association of Montana

Past Vice President, North Dakota Grape and Wine Association

Research partner with Iowa State University on Tannin expression in Marquette wines

Research partner with Montana State University on tannin expression in Marquette wines

Research partner with North Dakota State U in viticulture: proving up new cultivars