

September 25, 2023

Mr. Chairman and members of the committee,

Due to the reality of Montana's young grape wine industry, there are few, but greatly different winery business models adapted to various Montana situations. Montana grown wine is an agricultural product, every manufacturing winery is required to have a current food processing license because they process raw agricultural products into a food product. We should incentivize grape production in Montana and programs supporting this locally grown value-added ag industry. The MT Dept's of Agriculture, Revenue and Commerce have a unique opportunity to work together on encouraging a wine industry that works for Montana.

My written submitted testimony, Opportunities for Montana's Cold Hardy Wine Grape Industry, outlines 7 issues facing building Montana's home-grown wine industry. I'd like to clarify and expand on some of these issues.

Issue #4, allowing two tasting rooms for vineyard wineries of 5+ acres need to be clarified. First, the MT Dept of Agriculture should define and certify grape producing acres, administer the agricultural aspects such as the legitimacy or failure of commercial grape production to permit a farm vineyard winery license up until grapes are delivered to the winery where the MT Dept of Revenue takes over. Second, the two tasting rooms automatically allowed farm wineries should be only for tastes and sale of sealed bottles, no glass sale, hot food, or entertainment are automatically assumed. A Washington state study found that in bottle sale only tasting rooms the average consumer visit was 13 minutes, and the average sale was \$269. This is the most efficient way to sell wine directly to the consumer, starting another large tasting room winery business, a wine bar, is not usually practical for a family run business. A vineyard winery could still secure an endorsement for a full-service winery tasting room to take the place of one of the allowed bottle sales only tasting rooms, with a total tasting room quantity remaining at two.

Issue #6, Access to labor. Bitterroot did not obtain community college status and remains part of U of M. College level viticulture courses are most common in the middle of prime wine grape growing regions in other states due adjacent access to vineyards and vineyard wineries. There are several vineyards and the WARC research vineyard available to students in the Bitterroot. Montana should develop their own viticulture training specific to Montana to help with vineyard labor and management.

Issue #7, Sanitation needs to be separated out between wine production and consumer engagement in a tasting room environment. Yes, larger scale winery crushing and winemaking operations in town are difficult and costly and require DEQ involvement on an industrial waste scale. A full-service tasting room or wine bar requires adequate septic, ADA bathrooms, adequate parking for table capacity, and road improvements such as business approaches/safety issues after possibly having to pay for a traffic impact study. A quick visit to a bottle sale only business, especially on the farm, should not require any of this.

The first three of the seven issues I believe are easily achievable - Work Comp farm vineyard code for Montana, Supporting WARC, and Sale of MT grown wine at farmers markets. Being a value-added agricultural food product, that happens to have alcohol in it makes the issue complicated, but not one we cannot solve working together.

I encourage the committee to schedule a field trip to the Bitterroot in May when vines have shoots growing in spring weather instead of March when everything is still dormant and cold.

Respectively Submitted,

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