



## **Glossary of Terms**

**Agricultural Research Service (ARS)** – The ARS is the USDA’s in-house scientific research agency. ARS conducts research to develop and transfer solutions to agricultural problems of high national priority, including food quality, sustainable agriculture, and crop production and protection. For more information:

<http://www.ars.usda.gov/main/main.htm>.

**Alcohol Beverage Control Commission (ABC)** – an ABC is the state agency responsible for implementing state statutes governing alcohol and creating regulations on all aspects of alcohol. In some states the agencies are called Liquor Control Commissions or alcohol regulation duties are given to other departments such as the Department of Taxation and Revenue.

**Alcohol & Tobacco Tax and Trade Bureau (TTB)** – The TTB is a division of the United States Treasury Department, the TTB collects alcohol, tobacco, firearms and ammunition excise taxes and ensures that these products are labeled, advertised and marketed in accordance with the law. <http://www.ttb.gov/>.

**Animal & Plant Health Inspection Service (APHIS)** – The Animal and Plant Health Inspection Service (APHIS) is housed in the USDA and is responsible for protecting and promoting U.S. agricultural health, administering the Animal Welfare Act, and carrying out wildlife damage management activities. For more information:

<http://www.aphis.usda.gov/>.

**Appropriations** – Congressional act which must be passed each year for federal agencies to make payments out of the Treasury for specified purposes.

**Approved Viticultural Area (AVA)** – an AVA is defined as a grape-growing region that is distinguished by certain geographical features different than other areas. In order to get an area designated as an AVA, a petition must be submitted to the TTB.

[http://www.ttb.gov/appellation/us\\_by\\_ava.pdf](http://www.ttb.gov/appellation/us_by_ava.pdf).

**At-Rest Laws** – “At-rest” laws require that alcoholic beverages be held at a wholesaler’s warehouse for a certain amount of time before being delivered to retailers – the alcoholic beverages must actually come to rest in those warehouses.

**Control State** – A “control state” is one in which the government, not private entities, manages the distribution of alcoholic beverages. Generally, the control state acts as the wholesaler of spirits and sometimes wine. In some states the government also controls alcohol retail stores.

**Cooperative State Research, Education, and Extension Service (CSREES)** – A USDA agency that administers federal grant funds for agriculture and forestry research, extension, and education at eligible institutions. <http://www.csrees.usda.gov/>.

**Direct Shipping** – Allowing a winery or retailer to sell and ship directly to a consumer.

**Farm Bill** – the Farm Bill is legislation enacted by Congress approximately every five years that updates agricultural law. It usually amends or suspends portions of the law and puts forth new policy provisions for a limited time in the future. Generally, farm bill titles include commodity programs, trade, rural development, agriculture research, marketing, among others.

**Farm Gate Value** – The farm gate value of an agricultural product is the net farm value of a commodity before transportation and processing. It can also be known as the farm price that farmers receive for the commodities they market.

**Federal Alcohol Administration Act (FAA)** – The FAA is the primary alcohol control legislation which was passed by Congress after the end of prohibition. It requires anyone who produces, processes, or warehouses alcohol to obtain a permit before engaging in business. It also has provisions on tied-houses and trade practices.

**Franchise Laws** – A “franchise” law is a state law that restricts the ability of producers to terminate or change a distributor.

**Hybrid Grapes** – Hybrid grapes are a cross between *Vitis Vinifera* and American grapes (ex.: Chambourcin, Vidal Blanc and Vignoles). Hybrids are generally disease-resistant and climate workable grapes unique to parts of the U.S. where *Vinifera* cannot survive.

**The International Federation of Wine and Spirits (FIVS)** – The International Federation of Wine and Spirits (FIVS) is a world-wide organization designed to represent all sectors of the wine, spirits and beer industries. <http://www.fivs.org/>.

**National Wine and Grape Initiative (NGWI)** – The NGWI is an industry initiative to promote sustained agricultural growth through significantly increased expenditures for research and the effective communication of the research results to growers, wineries and processors by enhanced extension and education efforts. <http://www.ngwi.org/>.

**Native Grapes** – Grape species native to the United States (ex.: Niagara, Concord, and Norton).

**Market Access Program (MAP)** – MAP is a USDA program created to help U.S. producers, exporters, private companies, and other trade organizations finance promotional activities for U.S. agricultural products. The MAP encourages the development, maintenance, and expansion of commercial export markets for agricultural commodities. Activities financed include consumer promotions, market research,

technical assistance, and trade servicing. For more information:  
<http://www.fas.usda.gov/mos/programs/map.asp>.

**Pierce's Disease (PD)** – PD is caused by a bacterium spread by sap-feeding insects (sharpshooters) that shut down a vine's ability to take in water & nutrients. PD affects vinifera and hybrid grapes, but not muscadines, and is found in many parts of the country. The spread of the Glassy-Winged Sharpshooter (GWSS), a particularly virulent vector that is hard to control, to California in the early 1990s had the potential to cause large losses to the entire grape industry. The federal government responded to this scare by funding a 'contain and control' strategy which continues today and has been successful in lowering occurrences of the disease.

**Self-Distribution** – Allowing a winery to sell directly to retail outlets.

**Small Producer Tax Credit** – The tax credit effectively reduces the federal excise tax rate on table and dessert wines by 90 cents per gallon on the first 100,000 gallons of wine. The credit is phased out as a winery grows between 150,000 to 250,000 gallons with no benefit for wineries producing above 250,000 gallons.

**Special Occupational Tax (SOT)** – the SOT was a tax that wineries had to pay annually to the TTB on each premise they operated. The tax generally cost \$1000 per winery, \$500 for small wineries and \$250 for each additional sales outlet. In 2005, Congress permanently repealed the SOT.

**Specialty Crops** – Specialty crops are defined by the Specialty Crops Competitiveness Act of 2004 (P.L. 108-465) as fruits and vegetables, tree nuts, dried fruits, and nursery crops (including floriculture). These crops are separate from the standard program crops (cotton, corn, tobacco, soybeans) which receive cash subsidies.

**Tied-House Laws** – "tied-house" laws are adopted at the state and federal level to prevent vertical integration of ownership – i.e. a winery cannot also be a wholesaler, a wholesaler cannot also be a retailer, etc. Most of these laws restrict the influence wholesalers or producers can have over retailers.

**Tree Assistance Program (TAP)** – Administered by the USDA, this program provides financial relief to owners of eligible trees, bushes, vines and forest land damaged by natural disaster. For more information: <http://disaster.fsa.usda.gov/tap.htm>.

**TTB** – Refer to the Alcohol & Tobacco Tax and Trade Bureau definition.

**United States Trade Representative Office (USTR)** – The United States Trade Representative Office (USTR) negotiates directly with foreign governments to create trade agreements, resolve disputes and participate in global trade policy organizations. They also meet with governments, business groups, legislators and public interest groups to gather input on trade issues and explain the president's trade policy positions. The

agency was founded in 1962 and has offices in Geneva and Brussels.  
<http://www.ustr.gov/>.

**Vinifera** – *Vitis vinifera* is the vine species that produces traditional European wine grapes (ex.: Chardonnay, Merlot, Pinot Noir).

**Vitis** – The vine genus of which grapevines are a member.

**The World Wine Trade Group (WWTG)** – The World Wine Trade Group (WWTG) is an informal group of government representatives with a mutual interest in facilitating the international trade in wine and avoiding the application of obstacles to international trade in wine. <http://www.ita.doc.gov/td/ocg/wwtg.htm>.