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From the President's Desk

Immigration reform and a new Farm Bill are two very important issues expected to be taken up by Congress in May. The Senate plans to tackle immigration and agricultural worker issues as early as May 14, when Senate Majority Leader Harry Reid has scheduled about two weeks of floor time with the hope of getting a bill out of the Senate. This may be overly optimistic, but the Senate only seems to work when difficult deadlines are proposed. The Farm Bill is expected to be taken up by the House Committee on Agriculture sometime this month. Both bills are very controversial and difficult.

Farm Bill

Chairman Peterson of the House Agriculture Committee is expected to deliver his 2007 chairman's mark of the Farm Bill to the committee by midmonth. That should begin the difficult process of reconciling all of the diverse requests to the available funding. It will not be a pretty process. There is definitely not enough money to cover everybody's wish list. WineAmerica's objective is to get the key elements which are embedded in the specialty crop bill proposals (S.1160 and H.R. 1600) enacted and funded as part of the Farm Bill process.

You may examine text of the proposals and our Farm Bill Position paper by visiting the Federal Issues & Lobby Center sections of the WineAmerica website.

List of key issues:

Specialty Crop Research Initiative – a new \$200 million/yr competitive grants program in support of specialty crop needs and strategic plans.

Block Grants to the States – a \$500 million per year grant to state departments of agriculture to support marketing, research and other needs of specialty crops.

National Clean Plant Network – provides disease free clonally produced plants. Value Added Grant program – Increased funding from \$40 million per year to \$60 million.

Tree Assistance Program (TAP) – increases maximum payout to \$150,000 per year to help growers who have significant loss of vines or trees due to natural disasters.

Market Access Program (funding for marketing overseas) – increases from \$200 million per year to \$325 million.

Conservation Programs – improves the ability of specialty crops to qualify for Environmental Quality Incen-

tives Program (EQIP) & Conservation Security Program (CST). Both of these well conceived programs have been too limited or too complicated to be of much use to grape growers.

Immigration Reform

Immigration and agricultural labor issues seem to be moving, but may bog down over differences in how to enact comprehensive reform. At this time key Senators, including many who previously opposed immigration reform, are negotiating with each other and with the White House to see if a compromise consensus can be worked out. Some days the news is quite encouraging and other days the irreconcilable differences seem to be at the forefront. Crucial issues not yet resolved include:

- 1) What border security/enforcement conditions will trigger the reform aspects of the bill?
- 2) How much illegal immigrants should have to pay in fines, ranging from \$2,000 to \$10,000?
- 3) Whether families of guest workers who obtain guest worker status may be allowed to enter the United States – the so called chain migration issue

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- 4) Minimum amount for guest worker wages
- 5) Tamper-proof, secure I-D cards for workers

The most recent conversations regarding immigration reform call for a path to citizenship for guest workers, but that path may take 13 to 18 years and will involve heavy fines.

If the negotiations are successful, that bill is likely to be sent directly to the Senate Floor, by-

passing the Judiciary Committee, on or about May 14. If the negotiations fail, the Senate may take up the bill which passed last year by a substantial margin.

In spite of the very difficult issues, it appears that there is an excellent chance for the negotiations to progress and succeed. No matter how the negotiations on the comprehensive bill go, it is critical that the AgJobs provisions be a part of the ulti-

mate outcome. There is still a risk that the negotiations in the Senate will fail and there are still some very hard compromises to be achieved in May.

WineAmerica will keep our membership posted as developments break. If you get the opportunity to speak with any Members of Congress or Senators, please stress the importance of these two issues.

Federal On-Site Shipping Laws—One More Option for Wineries & Consumers

Much of the attention these days goes to direct to consumer shipping through internet & phone sales. However, for many wineries and consumers alike, on-site sales are a big part of business. Many consumers like to visit wineries, buy a few bottles, and take them home on the plane with them. Unfortunately, the liquid ban is still in place and the only option would be for a consumer to put the wine in checked baggage. As anyone knows who has had that bottle of red wine break in their suitcase, this is not an ideal option.

As summer visitors heat up at your winery, don't forget that there is a federal law in place that allows for on-site shipments to many states. If a consumer has purchased wine in-person at your winery, federal law allows you to send that wine directly to the consumer's home. There are quantity limits and other regulations that differ by state.

On-site shipments allowed under federal law follow a state's personal importation regulations. If a person could have legally carried the amount into the state, then it can be shipped in by the winery

for an in-person purchase. A current list of state on-site shipping provisions has been posted in the WineAmerica Direct Shipping Tool on the website. Please note that some states do not allow ANY shipments unless the winery has a direct shipping permit in that state.

Use the following link to go directly to the WineAmerica Shipping Tool: <http://www.wineamerica.org/shiptool/index.cfm>

TTB Holds Training & Compliance Seminars Around the Country

TTB is offering Federal compliance training for Custom Crushers, Alternators, Bonded Wine Cellars, and their Clients. These one-day seminars, scheduled for June 5, 2007, in McMinnville, Oregon, and June 7, 2007, in Walla Walla, Washington, cover recordkeeping and reporting, application and transfer of the small producer tax credit, bonded wine cellar operations and responsibilities, and more. Registration is required. To register please go here: http://www.ttb.gov/pdf/nw_flyer07mcminnville.pdf

The TTB is also offering industry seminars this summer that will be held in various locations around the country. You can register here: http://www.ttb.gov/pdf/compliance_training.pdf

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WineAmerica
1212 New York Avenue NW
Suite 425
Washington, DC 20005

Phone: 202-783-2756
Fax: 202-347-6341
Email: info@wineamerica.org



Staff Contacts

Bill Nelson, President
bnelson@wineamerica.org

Jennifer Montgomery
Dir. of Grassroots & Political
Affairs
jmontgomery@wineamerica.org

Jenny Mattingley
Dir. of Communications &
Membership Services
jmattingley@wineamerica.org

Michael Kaiser
Manager of Regulatory Affairs
labels@wineamerica.org

From the COLA to the Shelf: Tips to Get Your Labels Approved and Out the Door

Fruit Wines

This month we take a look at the regulations regarding fruit wine.

Fruit wine is any non grape wine made from the normal alcoholic fermentation of the juice of sound, ripe fruit.

Fruit wine or berry wine that is derived wholly from one kind of fruit or berry can be designated by the word "wine" qualified by the name of such fruit or berry. If you are making a wine from a specific fruit such as strawberries, you must designate the fruit on the label, qualified with the word wine, for example, "Strawberry Wine."

Fruit wine that is not derived from one kind of fruit or berry must be designated as "Fruit Wine," or "Berry Wine." This

must be qualified by a truthful and accurate statement of composition. The following can be used as statements of composition:

- **Natural Fruit Wine:** Contains no added brandy or alcohol
- **Berry Wine:** Produced from one or more berries
- **Fruit Table Wine/Berry Table Wine:** Must be 7% to 14% alcohol content, may also be called "light fruit wine" or "light berry wine"
- **Fruit Dessert Wine:** Must be 14% to 24% alcohol
- **Cider/Perry:** Wine that is derived wholly from apples or pears, respectively
- **Sparkling Fruit Wine:** Wine that is rendered effervescent

by carbon dioxide resulting solely from the secondary fermentation of the wine in a closed container, tank or bottle

Carbonated Fruit Wine:

Wine that is rendered effervescent by carbon dioxide by a method other than that resulting solely from the secondary fermentation of the wine in a closed container, tank or bottle.

Though appellations of origin are permitted, there are a few prohibited practices regarding the labeling of fruit wine. Vintage dating is not allowed for fruit wines. Additionally, the use of "table wine" to designate alcohol content is prohibited. The alcohol percentage must be listed on the label.

Mark Your Calendars for the 2007 Fall Board of Directors & Membership Meeting!

When: November 7-9, 2007

Where: Monterey, CA

Portola Plaza Hotel

<http://www.portolaplazahotel.com/>

Why: This meeting is open to all WineAmerica members and is a great opportunity to join fellow winemakers and State Associations from across the country to discuss critical industry issues such as direct shipping/self-distribution, farm bill, and immigration. This is also a great way to become more involved in WineAmerica and have an impact on the direction of the Association in the upcoming year.

Registration information and more details about the meeting will be sent out in the upcoming months. In the meantime, please contact WineAmerica with any questions. We look forward to seeing you there!