



New York Wine & Grape Foundation

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Testimony for the Joint Legislative Public Hearing on 2020-2021 Executive Budget Proposal: Topic Environmental Conservation

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Good afternoon. My name is Sam Filler and I am the Executive Director for the New York Wine and Grape Foundation (NYWGF), an organization created by state law in 1985 to lead statewide promotional and research programs on behalf of the grape and wine industry. I would like to thank all the members of the Environmental Conservation Joint Legislative Committee for providing NYWGF this opportunity to participate in today's hearing on the proposals related to Environmental Conservation and Agriculture in the Executive Budget Proposal for State Fiscal Year 2020-2021.

NYWGF requests that the State increase the Executive's budget commitment from \$1,073,000 to \$1,330,000 to support the establishment of a statewide wine sustainability certification program. The industry already contributes to conserving the State's natural environment through effective vineyard management practices. An investment by the State to establish a wine sustainability standard would position the industry as a key contributor to the 2019 Climate Leadership and Community Protection Act, and will help the industry remain competitive with other states.

No statewide wine sustainability standard currently exists in New York. Competing states like California, Oregon and Washington have already developed sustainable wine certification programs that provide their grape growers and wineries a science-based standard for documenting their environmental impact. The experience from those states shows that after an initial multi-year state investment, their programs became financially self-sustaining through participation fees and sponsorships. Given existing interest, NYWGF anticipates that a three-year state investment to support program start-up costs will lead to a program fully industry supported.

Our wine industry risks being left at a competitive disadvantage as consumers preferences continue to shift towards sustainably produced products. Recent national research by Wine Intelligence documents that wine drinkers are willing to pay a \$1-5 premium for certified sustainable wines with an average extra spend of \$3 per bottle. Many New York vineyards and wineries employ sustainability practices to reduce their impact on the environment, but the lack of a statewide sustainability certificate diminishes the broader marketability and sales opportunities for their wines.

Due to the strong support from this Committee and the annual budget commitment from the New York State Legislature, NYWGF has been able to execute impactful research and promotion programs on behalf of the wine and grape industry. The State's annual investment has supported research that has led to breakthroughs in pest and disease management, development of new grape varieties, and improved vineyard management practices. And, investments in promotion have attracted record number of tourists, and seen the establishment of the very first US wine trail in 1983 on Cayuga Lake to over 18 wine and culinary trails across every region in the state today. This public-private funding partnership drives the industry's growth and makes it a major state economic engine that generates more than \$6.65 billion in direct economic impact.

The State's investment in the wine and grape industry provides sound economic returns in the form of tax revenue, jobs, and rural economic development. Since 2012, the New York wine industry has added an additional 130 new wineries, for a total of 450+ licensed wineries. The New York grape and wine industry provides good jobs across the state, directly employing as many as 71,950 people and \$2.79 billion in direct wages. The industry will contribute nearly \$1.3 billion in state and local taxes, and New York's wine and culinary trails will generate 4.71 million tourist visits and \$2.6 billion in annual tourism expenditures, benefiting local economies and tax bases.

The adoption of a statewide wine sustainability certificate program would elevate the ability of the entire New York grape and wine industry to be a proactive force in conserving our environment, tackling climate change, and will place New York in the vanguard among its peer states and make it a global example in agriculture.