

# WineAmerica leader shares insight with Idaho industry

By [Eric Degerman](#) on February 20, 2014



Mark Chandler, executive director of Wine America, addresses the Idaho Wine Commission's annual meeting for members on Feb. 18, 2014, in Boise. (Photo by Eric Degerman/Great Northwest Wine)

BOISE, Idaho — An exhibit at the Smithsonian involving culinary legend Julia Child prompts the U.S. wine industry’s liaison to Washington, D.C., to say we are living in “The Golden Age of U.S. wine.”

“I’ve stopped to watch people [at that exhibit](#), and they are asking each other wondering what it must have been like to grow the grapes or what special wine it was that won a contest back in 1976,” said [Mark Chandler](#), executive director for [WineAmerica](#). “These are people from every state and every demographic.

“I’ve returned several times just to see if it was an one-time experience,” Chandler continued. “It was not. I really think food and wine is becoming a part of the American culture.”



Chandler spoke this week at the [Idaho Wine Commission](#)’s annual meeting in Boise, and he supported his assertion of this “golden age” with facts, figures and reasons for optimism. “When you have wineries in Alaska, Utah and Mississippi, there’s something to it,” Chandler said wryly.

A year ago, Chandler was appointed to his position with WineAmerica, a trade organization of 600 members that was founded in 1978. It represents wineries in 50 states on national legislation while also providing expertise to state and regional wine associations.

Marty Clubb of the acclaimed L’Ecole No. 41 in Walla Walla serves as treasurer of WineAmerica. The board of directors also includes Ron Bitner of Bitner Vineyards (Caldwell, Idaho), Kari Leitch of Ste. Michelle Wine Estates (Woodinville, Wash.), Kara Olmo of Wooldridge Creek Winery (Grants Pass, Ore.) and Steve Thomson of King Estate Winery (Eugene, Ore.)

“Our mission is to encourage sound public policy to help industries grow and thrive,” Chandler said. “We also serve as a national hub for issues and concerns from various states. When we get together on a semi-annual basis, we’ll have questions of one state to another asking ‘How did you handle a certain situation?’ or ‘Gee, there’s a regulatory development in our area. How can we respond to it?’ “

In 2005, there were 5,000 wineries in the United States. Today, there are 8,300.

“The numbers are astonishing,” Chandler said. “It helps us with our political strength, and it does make for a competitive market place.”

Few in the U.S. wine industry are as well-rounded and respected as Chandler, who averages one week per month away from his home in Lodi, Calif. He's been a winemaker, grape grower, wine educator, winery consultant and wine judge. For 20 years, he ran the Lodi Winegrape Commission, a background that allows him to easily relate to winemakers and growers in Idaho.

"I ran the Lodi Wine Grape Commission from 1991 to 2011, so many of the strategies that you are implementing and the challenges you are facing are very familiar territory," he said.

During those two decades, Lodi grew from eight wineries to more than 80 while plantings grew from 46,000 acres to beyond 100,000 acres — twice the size of Washington state.



Skyline Vineyard near Nampa is Idaho's large planting at 400 acres. (Photo courtesy of Precept Wine)

## **U.S. thirst for wine increases demand for vineyards**

"We are actually at a shortage position throughout most of America, and most of the states I've visited are in a situation where they could use more grapes, use more wine," Chandler said. "The market is growing faster than production is growing."

It will be difficult for Idaho's wine industry to sustain momentum until more vineyards created.

“You don’t have the production capacity yet to generate the market share that you are talking about,” Chandler told the Boise audience. “Other states are ahead of Idaho in terms of recognition and production capacity. I’m thinking of Virginia, which is pretty hot right now. New York State has done a great job. Oregon and Washington, as they’ve increased their productive capacity, they’ve gotten to capture more market share, so I think it’s a matter of time and I’d be very optimistic for Idaho.”

The thirst for wine in the United States is growing. There were 360 million cases sold of wine were sold in 2012. And last year signaled a 6 percent increase. Chandler also pointed out that two-thirds of the wine sold in the United States was produced domestically, and 90 percent of those sales were California wines.

“The import competition has been getting stronger and stronger,” he said. “During my 30-some years in wine, I’ve seen the import part of the market as being as little as 15 percent. And now it is up to a third of our market. That does provide some challenges.”

## **Plenty of work left for Congress beyond farm bill**

Congress has provided limited support, other than recently passing a farm bill.

“Immigration and labor reform are top of mind to us,” he said. “We thought we had something pretty workable in 2013. It didn’t come to pass, and we’re not sure it’s going to come forward in 2014. Again, the farm bill took over two years of negotiation, and we finally got that done just a couple of weeks ago.”

Chandler didn’t attempt to hide his exasperation with Capitol Hill.

“The most frustrating experience this last year since I took over at WineAmerica exactly a year ago is Congress’ failure to lead,” Chandler said. “They dithered around. They became known as ‘The Do Nothing Congress,’ which I think is an apt name for them. They squandered opportunities on immigration and the farm bill that were completely unnecessary.”

Even though 2014 will be an election year for some in Congress, Chandler said he believes there’s a good chance for legislation on immigration.

“Immigration reform is moving to the front burner now that we do have a budget, and we do have a farm bill. We need a regular supply of people who are educated and trained,” Chandler said. “The Senate did pass a bill that I thought was workable. It had some special divisions for agriculture, and it did provide a path to citizenship.

“But to those who say that was amnesty, I challenge you to prove that,” he continued. “It’s a 13-year process for someone signing up for the program and ultimately getting citizenship. I think that’s an investment in our industry and an investment in citizenship.”

A lack of commonsense in Congress will reduce the effectiveness of new immigration law, Chandler worried.

“There are quotas, and the quotas are much too low to satisfy even the grape industry, much less any other groups or hospitality industry,” Chandler said. “It really needs to be opened up in my opinion. The numbers are in the hundreds of thousands of people, when we know we have 11 million people to process.”



The Sunnyslope Wine Trail near Caldwell features some of the top vineyards in the Snake River Valley. (Photo by Eric Degerman/Great Northwest Wine)

## **Budget cuts slow TTB, but farm bill helps other agencies grow**

Reduction in federal government spending has slowed down some critical phases of the wine industry, including the Department of Treasury’s Alcohol and Tobacco Tax and Trade Bureau (TTB).

“Wineries know the frustration we have with the TTB and the label approval process,” Chandler said. “Even though they’ve mechanized the process online quite a bit, they’ve sustained so many cuts in staff it’s quite irregular to expect when you are going to a label approval through.”

On the other hand, the wine industry should expect some benefits from the latest farm bill. Chandler pointed out it funded the National Clean Plant Network for \$30 million over the next five year.

“It’s not a lot of funding, but it allows us to have a series of nurseries around the country to provide replacement stock for our vineyards as they get too old or have a disease or frost events where we need clean stock to return to,” he said.

The national wine industry will have access to a portion of the other appropriations in the farm bill, including the Specialty Crop Block Program (\$350 million over five years), the Specialty Crop Research Initiative (\$100 million in each of the next five years) and the Market Access Program, which funds the promotion of export markets (\$200 million).

One example of these program’s is the Clean Plant Center Northwest, which is operated by Washington State University but faced an [uncertain future without the farm bill’s passage](#). “This (Market Access Program) is highly controversial, but when you go up on the Hill and you meet with the committees and staff, they realize what the payback is on this,” Chandler said. “It’s about \$35 to \$1 in export potential that we can develop. When you vertically integrate it in a winery, you create jobs in production, in marketing, in export sales, tasting rooms, hotels and restaurants. Grapes do it best. You folks all know that. You are enjoying that, and even the feds get that.”



Stoney Vine Vineyard, an estate planting for Dusted Valley Vintners in Walla Walla, Wash., is within the pending The Rocks District of Milton-Freewater AVA. (Photo by Eric Degerman/Great Northwest Wine)

## 4 Northwest AVA petitions remain in pending status

The Pacific Northwest wine industry has four of [the country's 14 pending petitions](#) for the establishment of an American Viticultural Area (AVA).

Atop the TTB list is The Rocks District of Milton-Freewater in Oregon. [Whitman College professor Kevin Pogue's](#) petition was accepted as perfected on Jan. 17, 2013. As of this week, it had not yet been approved for the next step, which is the opening of the public comment period.

At No. 7 is the Lewis-Clark Valley, which would be bi-state AVA centered on Lewiston, Idaho, and Clarkston, Wash. That application, written by Walla Walla Community College's Alan Busacca, was perfected May 7, 2013, with modifications to the Columbia Valley AVA.

Ninth on the list is Willow Creek Idaho, a petition written by Martha Cunningham, co-owner of 3 Horse Ranch Vineyards in Eagle, Idaho. It was accepted as perfected on June 20, 2013.

Last month, Cary Green's bid to expand the Willamette Valley AVA was accepted.

Idaho's most recently established AVA was the Snake River Valley in 2007. For Oregon, the last was Feb. 5, 2013 with the Elkton Oregon AVA. In Washington, the youngest AVA is Ancient Lakes of Columbia Valley, established Oct. 18, 2012.

Using the timeline for the Elkton AVA as an example, it takes about eight months to go from proposed establishment and closing of the comment period to the establishment of the AVA — which is not a given.

## Stink bug problem looms on Northwest horizon

[Michelle Moyer](#), assistant professor and extension viticulturalist at Washington State University's department of horticulture in Prosser, told the Idaho wine industry Tuesday that the clock is ticking in the Pacific Northwest regarding the brown marmorated stink bug, which has been reported in small numbers in Washington and Oregon. "You have 10 years before it becomes a major problem," Moyer said. "This bug likes to overwinter in sheltered areas, so it probably won't be a major issue in the vineyard, but most likely it will be a big issue in the winery if you aren't aggressive with your hygiene."

During harvest, crush pads can be notorious for yellow jackets, but don't pose a fear when it comes to affecting the wine. Stink bugs, however, could be devastating should they get into tanks, barrels or the must as they can secrete odor without even been touched.

Moyer said there is a sign of hope with the recent discovery of a stink bug predator — a species of parasitoid wasp in China. The introduction of that wasp into the United States by the federal government is being considered.

## Idaho Wine Commission seeks change to law

Moya Dolsby, executive director of the Idaho Wine Commission, told members that her office is working with the state Legislature to is working to change a code regarding bottling and manufacturing. Dolsby said she is confident [Senate Bill No. 1253](#) will be made into law. "If one of your tasting room people was cited for pouring for somebody who is under 21, as the law currently stands, the state can shut down all the operations in your winery," Dolsby said. "If you are scheduled to bottle but can't because someone screwed up in your tasting room, then you are SOL, so we are trying to separate the two. That would make it OK to shut down the tasting room but continue the other operations of the winery."

**NOTES:** Attendance for this year's annual meeting was at 70, which included wineries, growers and trade. The 2013 meeting was staged closer to wine country at the College of Idaho in Caldwell, and it drew 95 attendees. ... To an outsider, it may seem strange to learn

that the Idaho State Police oversees the Alcohol Beverage Control Division. [The Washington State Liquor Control Board](#) has its own enforcement officers, as does the Oregon Liquor Control Commission. ... Trivia time. Where is the most visited winery in the country? Asheville, N.C. The [Biltmore Winery](#) draws more than 500,000 visitors each year.