



September 18, 2020

The Honorable Nancy Pelosi
 Speaker of the House
 U.S. House of Representatives
 H-232, U.S. Capitol
 Washington, DC 20510

The Honorable Kevin McCarthy
 Minority Leader
 U.S. House of Representatives
 H-204, U.S. Capitol
 Washington, DC 20510

Dear Speaker Pelosi and Leader McCarthy:

On behalf of wine grape growers and winemakers in California, Washington and Oregon, we respectfully request your support for immediate disaster assistance that would provide much needed relief for growers and winemakers who are facing multiple challenges as a result of the devastating wildfires raging throughout the West. We fear these wildfires, and potentially more to come, will result in the greatest economic loss, due to a natural disaster, ever suffered by the industry in our states.

California, Washington and Oregon are the leading wine producing states in the nation. On average, the 7,300 wine grape growers in California, Oregon and Washington together produce a grape crop valued at \$4.5 billion annually. More than 6,325 wineries operate to process these grapes, resulting in \$71.61 billion of state level economic activity for our three states. Without assistance from the federal government through the immediate extension of the Wildfire Hurricane Indemnity Program Plus (WHIP+), many of our members will confront unprecedented economic uncertainty.

Tragically, losses to life and property due to the fires are readily apparent, but less obvious is the significant damage and widespread uncertainty occurring in wine country due to wildfire smoke. Smoke exposure in our states' vineyards can compromise fruit quality and lead to significant financial losses. The full impact of smoke exposure on grapes is uncertain and research is in its infancy.

We have learned when grapes in the vineyard are heavily exposed to fresh smoke, they can absorb a matrix of compounds that can result in smoky, ash-like flavors and aromas in the resulting wine. Experience has shown these smoke compounds can release as wine ages. Thus, a wine that is drinkable soon after bottling may become progressively less palatable as smoke compounds release over time. Consequently, some wineries are reluctant or refuse to accept smoke-exposed wine grapes. Without adequate research, growers and winemakers have few tools to prevent or rectify problems associated with smoke-damaged grapes.

As wildfires continue, increasing numbers of buyers are rejecting grapes due to concerns about smoke exposure. Without a market, these grape growers are forced to abandon their fruit in the vineyard. In other instances, buyers have agreed to purchase grapes at a discount but could later face unanticipated costs to test and treat wine made from smoke-exposed fruit.

In some cases, growers who are unable to sell their grapes are opting to convert grapes to wine on their own. These growers hope to recover the revenue they would have received from the sale of their grapes by making bulk wine and selling that wine at a later date. However, since so little is known about smoke exposure in grapes and how it can affect wine, it's entirely possible these growers will not only lose the revenue associated with the sale of their grapes but will incur additional losses due to processing and storage costs associated with making bulk wine. These growers may not realize the full extent of their losses for another twelve to eighteen months from now.

Likewise, wineries face uncertainties when accepting smoked exposed grapes. Some wineries are accepting grapes for processing and will later discover that the wine made from smoke-exposed grapes is damaged and unsuitable for commercial sale, resulting in a significant loss.

For the reasons outlined above, growers and winemakers are seeking an extension of the Wildfire and Hurricane Indemnity Program Plus (WHIP+) for the following losses incurred during wildfires in 2020:

- Grapes go unharvested due to smoke exposure and compromised fruit quality;
- Grapes were processed but the resulting wine was smoke damaged and unmerchantable and the grower was not paid;
- Grapes that are purchased at a significant discount as a result of moderate or unforeseen exposure to smoke:
- Grapes that are rejected by a buyer and later fermented for sale on the bulk wine market by the grower, but at a significant financial loss;
- And grapes that are purchased and processed by a winery but later deemed unmarketable during fermentation or aging as a result of exposure to smoke.

We sincerely appreciate your active leadership and continued interest in assisting wine grape growers and winemakers in overcoming the devastation caused by this year's wildfires.

Sincerely,



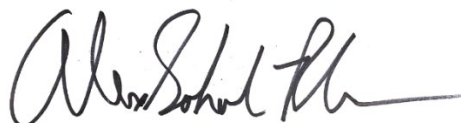
John Aguirre
President, California Association of
Winegrape Growers



Erin Huston
Federal Policy Consultant, California
Farm Bureau Federation



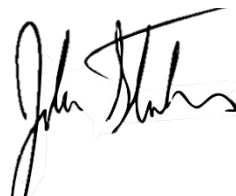
Tom Danowski
President & CEO, Oregon Wine Board



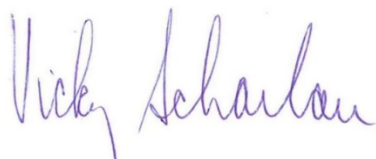
Alex Sokol Blosser / Sokol Blosser Winery
President, Oregon Winegrowers Association



Gail Greenman
Director of National Affairs, Oregon
Farm Bureau Federation



John Stuhmiller
Chief Executive Officer, Washington
Farm Bureau



Vicky Scharlau
Executive Director, Washington
Winegrowers Association and
Winegrape Growers of America



Jim Trezise
President, WineAmerica



Robert P. Koch "Bobby"
President & CEO, Wine Institute

Cc: Rep. Cathy McMorris Rodgers
Rep. Dan Newhouse
REP. Jimmy Panetta
Rep. Mike Thompson
Rep. Greg Walden