



## TEXAS SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

Senator Frank Madla  
CHAIRMAN

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DATE: July 23, 2004

TO: Vineyard/Winery Owners

FROM: Frank Madla, Chair

As you know the Senate Committee on Intergovernmental Relations is gathering data and studying the Texas wine producing industry in order to develop recommendations to the 79<sup>th</sup> Legislature for increasing the economic impact of the wine producing industry in Texas.

In order for the committee to develop a clearer picture of this industry, it is vital for us to gather as much information as possible from those of you who are engaged in the wine and grape business in this state. The committee is hopeful that you will complete the enclosed questionnaire with as much detail as possible and return it to us by August 8th. We apologize, in advance, for the length of the document, however we wanted to give you the greatest opportunity to provide information for the incoming Legislature and those in the future.

Please don't hesitate to add additional pages or information that you feel will prove useful to the committee's task. You can also feel free to skip questions that you prefer not to answer. Of course, the more information we have, the better.

The questionnaire is divided into four sections. In the first section we are looking for contact and general information regarding your interest in the Texas Wine Producing Industry. The second section is tailored to gather data about the production, use, and sale of Texas grapes. In the third section, we are seeking information about the production and distribution of Texas wines. From the information provided in the fourth section, we hope to get a clearer picture of the economic impact and potential of the industry. Mr. David Scotch, a San Antonio CPA, Master's Candidate at Bordeaux University, and TWGGA member has volunteered to help the committee compile the data submitted to the committee.

Although the committee has contact information for all the Texas wineries that are currently licensed and a number of Texas grape growers, our list of industry stakeholders is not complete. In keeping, we are hopeful that you will share a blank copy of the questionnaire with your colleagues or have them contact my Chief of Staff, Sherry Muller, for a copy.

As always, please don't hesitate to contact Sherry or me should you have any questions or require more information.



TEXAS SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

Questionnaire For: Vineyard & Winery Owners

Charge 4 Texas Wine Producing Industries

Name: \_\_\_\_\_ Phone: \_\_\_\_\_
Mailing Address: \_\_\_\_\_ Fax: \_\_\_\_\_
City, State, Zip: \_\_\_\_\_ Cell: \_\_\_\_\_
County: \_\_\_\_\_ Other: \_\_\_\_\_
Email Address: \_\_\_\_\_ Website: \_\_\_\_\_

Interest: (Please check all that apply)

Vineyard owner: \_\_\_\_\_ Winery owner: \_\_\_\_\_ Tasting Room: \_\_\_\_\_ Investor: \_\_\_\_\_ Other: \_\_\_\_\_

Table with 5 columns: Type of Interest, Name, Town/Community, County/Other State, Viticultural Area

Please list any wine and grape industry associations, societies, or professional organizations of which you are a member.

Blank lines for listing associations and organizations.

Comments: \_\_\_\_\_
Blank lines for providing comments.

Please return your completed survey via one of the methods below by August 8, 2004

Email: sherry.muller@senate.state.tx.us
Fax: (210) 922-9521

Office of Senator Frank Madla
Attn: Sherry Muller
1313 S.E. Military Dr., Suite 101
San Antonio, Texas 78214-2850

## SECTION 2: Vineyard Owners (Including those who own wineries)

1. What year did you first plant grapes in Texas? a) \_\_\_\_\_ b) How many acres did you plant? \_\_\_\_\_
2. Did you have any previous experience growing grapes? a) Yes / No b) If so, where? \_\_\_\_\_
3. How many total years experience do you have in: a) General agriculture? \_\_\_\_\_ b) Viticulture? \_\_\_\_\_
4. What is the # of your: a) Mature acres? \_\_\_\_\_ b) Acres in development? \_\_\_\_\_ c) Unplanted acres? \_\_\_\_\_
5. Do you have an overall maximum number of acres you intend plant in grapes? a) Yes / No b) How many? \_\_\_\_\_
6. What are your most important varieties? Production in Tons

<u>Varietal</u>	<u>Location</u>	<u>Acreage</u>	2003	Est. 2004	Est. 2005
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

7. Do you plan to introduce additional varieties within the next five years? ..... Yes / No
8. If so, which? \_\_\_\_\_
9. What % of your total commercial acreage is planted in grapes? a) \_\_\_\_\_% b) On how many tracts of land? \_\_\_\_\_
10. Do you plan to increase your grape acreage over the next five years? a) Yes / No b) If so, by how much? \_\_\_\_\_
11. What % of your grapes is sold under: a) long term \_\_\_\_\_% b) short term \_\_\_\_\_% c) spot \_\_\_\_\_% contracts?
12. During the next 12 months, do you plan to do any of the following regarding grape production?
  - a) Buy new acres? Yes / No
  - b) Lease new acres? Yes / No
  - c) Sell grape acreage? Yes / No
  - d) Convert grape acreage to another crop? ..... Yes / No
13. If you plan to sell or convert acres that are currently in grape production, why? \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
14. How are your grapes harvested: a) mechanically \_\_\_\_\_ b) by hand \_\_\_\_\_ c) both \_\_\_\_\_?
15. Have you ever paid to have wine made from your grapes? ..... Yes / No
16. Do you own a winery? a) Yes / No b) If not, do you plan to? Yes / No c) If so, when? \_\_\_\_\_
17. Do you sell your grapes or the juice from your grapes to entities in other states or countries? ..... Yes / No
18. If so, what percentage of your grapes is sold to entities: a) In other states? \_\_\_\_\_% b) In other countries? \_\_\_\_\_%
19. If you do not sell your grapes outside the state, why not? (Check all that apply)
  - a) Sufficient Texas market \_\_\_\_\_%
  - b) Undeveloped market outside of Texas \_\_\_\_\_%
  - c) Lack of demand \_\_\_\_\_%
  - d) Insufficient profitability \_\_\_\_\_%
  - e) Other \_\_\_\_\_%
20. Do you think that the formation of a cooperative would help you sell your grapes? ..... Yes / No

### SECTION 3: Winery Owners

1. a) When did you open your winery in Texas? \_\_\_\_\_ b) How many cases of wine did you produce? \_\_\_\_\_
2. Did you have any previous winery experience? a) Yes / No b) If so, from where? \_\_\_\_\_
3. How many total years of experience do you have in the wine industry? .....
4. How many varieties of wine did you produce in your first year of operation in Texas?.....
5. How many cases of Texas wine did you produce in: a) 2003? \_\_\_\_\_ b) Est. 2004? \_\_\_\_\_ c) Est. 2009? \_\_\_\_\_
6. Do you currently plan to increase your production of Texas wine? .....Yes / No
7. What is your goal for production? a) \_\_\_\_\_ b) How many different Texas wines do you currently produce? \_\_\_\_\_
8. In which new grape varieties do you see growth in Texas? \_\_\_\_\_

Grape Variety	Estimated % of your case sales by primary variety		Estimated % of Case sales by volume in the following price points		
	2003	2009	\$ Per 750 ml	2003	Est. 2009
_____	_____	_____	< \$3	_____	_____
_____	_____	_____	\$3 - \$7	_____	_____
_____	_____	_____	\$7 - \$10	_____	_____
_____	_____	_____	\$10 - \$14	_____	_____
_____	_____	_____	\$14 - \$24	_____	_____
_____	_____	_____	\$25 ++	_____	_____

10. a) Do you have your own vineyard(s)? Yes / No b) If not, do you plan to? Yes / No c) When? \_\_\_\_\_
11. a) Do you have your own bottling line? Yes / No b) If not, do you plan to? Yes / No c) When? \_\_\_\_\_
12. Please provide an estimated percentage of the source of the grapes used in your wine?
  - a) Your grapes \_\_\_\_\_%
  - b) Other Texas Grapes \_\_\_\_\_%
  - c) Grapes/juice from other states \_\_\_\_\_%
13. Would you purchase more Texas grapes if they were available? Yes / No
14. Compared to 2003, how will FOB case prices change in 2004? Increase \_\_\_\_\_ Decrease \_\_\_\_\_ N/C \_\_\_\_\_
15. What percentage of your wine is available for sale to the public? \_\_\_\_\_% What % is from non-wine items \_\_\_\_\_%
16. Approximately what percentage of your wine is Sold:
 

a) from your winery or tasting rooms? _____%	e) for marketing purposes _____%
b) through a distributor? _____%	f) for charitable causes _____%
c) at wine festivals or other events? _____%	
d) from a package store to fill a winery order? _____%	
e) from a package store, restaurant, or other retailer where you or your employees delivered the wine _____%	
17. From the sales at your winery, what percentage of your wine is sold to:
  - a) Texas residents \_\_\_\_\_%
  - b) People from other states \_\_\_\_\_%
  - c) People from other countries \_\_\_\_\_%
18. If your wine is not currently marketed through the distribution network, why? (Check all that apply)
  - a) Lack of access to a distributor \_\_\_\_\_
  - b) Don't want to..... \_\_\_\_\_
  - c) production volume makes use cost prohibitive \_\_\_\_\_
  - d) Other: \_\_\_\_\_
19. Is it your plan to use a distributor in the future? .....Yes / No
20. Have you been able to ship wine to other states since our direct shipping laws were declared unconstitutional? ..Yes / No
21. If so, approximately how many cases of wine have you shipped? .....

## SECTION 4: Vineyard and Winery Owners

1. Is your vineyard/winery open to the public? ..... Yes / No
  - a) For tours? Yes / No
  - b) Tastings and sales of wine? Yes / No
  - c) Sales of wine Yes / No
  - d) Sales of other merchandise? Yes / No
  - e) Dining, catering, or other food services? Yes / No
  - f) Weddings, meetings, and special events? Yes / No
  - g) As a Bed & Breakfast or other lodging? Yes / No
  - h) Other: \_\_\_\_\_ Yes / No
2. How many visitors do you have to your vineyard/winery each year..... \_\_\_\_\_
3. What % of your sales to these visitors is from wine? a) \_\_\_\_\_% b) From other merchandise? \_\_\_\_\_ %
4. a) Were you profitable in 2003? \_\_\_\_\_ b) Do you expect to be more profitable in 2004? Yes / No
5. Do you currently draw income from your winery/vineyards? .....Yes / No
6. Is your winery/vineyard(s) your sole source of income? .....Yes / No
7. If not, do you plan for it to become your sole source of income in the future?.....Yes / No
8. Please provide the number and average monthly compensation of the following types of employees at your winery/vineyard(s). Please do not include yourself.
  - a) permanent, full-time? # \_\_\_\_\_ \$ \_\_\_\_\_
  - b) permanent, part-time ? # \_\_\_\_\_ \$ \_\_\_\_\_
  - c) seasonal employees in 2003? # \_\_\_\_\_ \$ \_\_\_\_\_
  - d) seasonal employees in 2004? # \_\_\_\_\_ \$ \_\_\_\_\_
9. What tax revenues were generated by your winery/vineyard for FY2003?
  - a) State Excise Tax: \$ \_\_\_\_\_
  - b) State Sales Tax: \$ \_\_\_\_\_
  - c) State Franchise Tax: \$ \_\_\_\_\_
  - d) Federal Excise Tax: \$ \_\_\_\_\_
  - e) Local Taxes: \$ \_\_\_\_\_
  - f) Other : \_\_\_\_\_ \$ \_\_\_\_\_
10. At this time, what are the greatest barriers to the development of the Texas Wine and Grape Industries. Please rate each item on a 1 - 4 scale, with 1 being greatest. (Feel free to add additional items on extra pages if necessary)
 

a) No centralized entity to coordinate the development of the Texas Wine and Grape Industries	1	2	3	4
b) Lack of access to a full time enologist	1	2	3	4
c) Insufficient entomology support and expertise	1	2	3	4
d) Insufficient viticulture support and expertise	1	2	3	4
e) Lack of appropriate viticulture education programs in the state	1	2	3	4
f) Lack of appropriate enology education programs in the state	1	2	3	4
g) Lack of a four-year degree program in the state	1	2	3	4
h) Inability to ship your product directly to consumers in other states.	1	2	3	4
i) Requirement/perception that telephone or internet sales to Texas residents must be shipped through a package store.	1	2	3	4
j) Lack of an official, central resource indicatin g wet/dry areas of Texas.	1	2	3	4
k) Hesitancy of common carriers to deliver your product because of inadequate wet/dry data	1	2	3	4
l) Other: _____	1	2	3	4
m) Other: _____	1	2	3	4
o) Other: _____	1	2	3	4
11. What % of your supplies and equipment are purchased from the following?
  - a) Texas Vendors? \_\_\_\_\_ %
  - b) Out-of-State Vendors? \_\_\_\_\_ %
  - c) International Vendors? \_\_\_\_\_ %
12. What is the main reason you buy from out-of-state or international vendors?
  - a) Lack of local availability \_\_\_\_\_
  - b) Cost of local products \_\_\_\_\_
  - c) Quality of local products \_\_\_\_\_
13. Do you believe that the ability of Texas wineries to ship their product directly to their customers within the State of Texas and to other states and countries is fundamental to the growth and ultimate success of the Texas Wine and Grape Industries?.....Yes / No

## SECTION 4: Vineyard and Winery Owners (Continued)

14. What are the greatest assets available to the Texas Wine and Grape Industries at this time. Please rate on a 1 - 4 scale, with 1 being greatest. (Feel free to add additional assets)

- |   |   |   |   |   |
|---|---|---|---|---|
| a) Marketing efforts of the TDA's Texas Wine Marketing Assistance Program.                      | 1 | 2 | 3 | 4 |
| b) Loans, grants, and assistance from other divisions of the Texas Department of Agriculture.   | 1 | 2 | 3 | 4 |
| c) Technical advice and assistance from the Texas A&M Extension Service.                        | 1 | 2 | 3 | 4 |
| d) Ability to ship wine to Texas consumers that visit your winery.                              | 1 | 2 | 3 | 4 |
| e) Ability to ship wine to Texas consumers in dry areas.  | 1 | 2 | 3 | 4 |
| f) Court ruling nullifying Texas' prohibition against the direct shipment of wine to consumers. | 1 | 2 | 3 | 4 |
| g) Other: _____   | 1 | 2 | 3 | 4 |
| h) Other: _____   | 1 | 2 | 3 | 4 |
| i) Other: _____   | 1 | 2 | 3 | 4 |

15. Please list any current state or federal statutes, rules, regulations, or policies that are particularly problematic to or not effective for the production, distribution, sale, and promotion of your wine and/or grapes. (Please feel free to attach additional sheets if necessary)

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16. What are the top three changes needed over the next five years to help your industry reach its full potential?

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_

17. What are your suggestions for acquiring additional funding for research, development, technical assistance, marketing, and education programs to assist the Texas Wine and Grape Industries? (Please feel free to add additional sheets)

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18. Please provide an estimate of how much you expended on the following to produce your wine and or grapes last year.

- |                          |         |                |         |                      |         |
|--------------------------|---------|----------------|---------|----------------------|---------|
| a) Seed & Rootstock      | \$_____ | g) Marketing   | \$_____ | m) Property Taxes    | \$_____ |
| b) Fertilizer & Lime     | \$_____ | h) Electricity | \$_____ | n) Motor Vehicles    | \$_____ |
| c) Transportation        | \$_____ | i) Pesticides  | \$_____ | o) Capital Dwellings | \$_____ |
| d) Repair / Maintenance  | \$_____ | j) Storage     | \$_____ | q) Machine Hire      | \$_____ |
| e) Employee Compensation | \$_____ | k) Fuel & Oil  | \$_____ | r) Interest Expenses | \$_____ |
| f) Contract Labor        | \$_____ | l) Equipment   | \$_____ | s) Net Rents         | \$_____ |