



**WE INITIATE AND ADVOCATE PUBLIC POLICY THAT
ENHANCES THE ABILITY TO RESPONSIBLY PRODUCE,
PROMOTE AND ENJOY CALIFORNIA WINE.**

**JOIN 1,000 WINERIES ACROSS THE STATE IN CREATING AN ENVIRONMENT
WHERE CALIFORNIA WINE CAN CONTINUE TO THRIVE.**



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WEBSITES

WINE INSTITUTE (ORGANIZATION)

www.wineinstitute.org

MEMBERS-ONLY (LOG-IN REQUIRED)

<http://members.wineinstitute.org>

DISCOVER CALIFORNIA WINES (CONSUMER)

www.discovercaliforniawines.com

CALIFORNIA SUSTAINABLE WINEGROWING ALLIANCE

www.sustainablewinegrowing.org

INTERNATIONAL EXPORT PROGRAM (LOG-IN REQUIRED)

www.calwinexport.com

LIST OF MEMBERS ON WEBSITE

www.wineinstitute.org/memberships/members

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SMART ADVOCACY. A COLLECTIVE VOICE.

OUR WORK FOR THE INDUSTRY BENEFITS EVERY WINERY IN CALIFORNIA

Wine Institute unites the collective strength of its members to ensure the best possible environment for producing and enjoying wine. We go where our members can't—namely, all 50 states, Washington, D.C., and the international arena—where we track proposed legislation and regulations, advocate for favorable market conditions, and promote the contributions of California's wineries from diverse regions throughout the state. We make it easier for members to focus on what they do best: producing world-class wines.

HERE IS SOME OF WHAT OUR MEMBERS RECEIVE:

- * A voice at the table and a role in shaping important issues of the day
- * Discounts on FedEx shipping
- * Guidance and support on regulatory and legal issues
- * Personalized support on labeling and the approval process with TTB
- * Regular updates on issues and “news you can use”
- * Workshops on sustainable practices, responsible serving, marketing and more.
- * The knowledge that their participation is helping to ensure our industry's future

ASSOCIATE MEMBERS BENEFIT TOO. They gain a public listing on our web site, industry news and resources, access to our discounts with FedEx and participation in our meetings and events. For more information, go to: <http://www.wineinstitute.org/memberships/associate>



OUR SUCCESS IS ABOUT OUR MEMBERS

A MESSAGE FROM OUR PRESIDENT, ROBERT P. (BOBBY) KOCH

What role does Wine Institute play for California wineries?

We promote and protect the wine industry on a daily basis in Washington, D.C., all 50 state capitals, and the international arena. For example, as states and the federal government face enormous pressure to raise new revenue, the majority have new proposals each year to

increase taxes and fees on wine. We've demonstrated that when taxes are increased sales decline, jobs are lost and local economies suffer. In recent years, we have defeated most of these proposals, saving wineries billions of dollars and preserving countless jobs in the wine and hospitality sectors.

Through our advocacy, we tell the story of California wine; that we are agriculturally based, from diverse regions and wonderful winemaking families. For more than 25 years, we have also told this story internationally, working to create favorable export conditions for the enjoyment of California wines. We've partnered with Visit California, our travel and tourism commission, to promote the great wine and food experiences throughout the state and bring visitors to our tasting rooms.

Is there anything that you think people don't realize about Wine Institute?

Our membership is diverse, consisting of small, medium and large wineries. We now have more than 1,000 members, nearly double the number ten years ago. This organization reflects the industry both in focus

and membership. No winery can have more than two votes on our Board of Directors.

How would you describe the benefits of membership?

We help create an environment that enhances the ability of our members to succeed

in the marketplace, both here and abroad. We also provide a forum for members to come together and create proposals that are beneficial for the industry and consumers — such as bills to allow in-store wine tastings and

wine-by-the-glass sales at wineries — which we shepherded through the California state legislature. Finally, we create a collective voice. The only way we can be successful is if we're united and working together.

What do you see as the top challenges facing wineries in the next several years?

Clearly, as the federal government and individual states seek additional revenue, we will continue to see efforts to raise taxes and fees on wine and alcohol. Raising such taxes polls well because the consequences of lost sales and jobs are not referenced. At the state level,

“OUR MEMBERS CAN FOCUS ON MAKING WORLD-CLASS WINES, KNOWING THEIR INTERESTS ARE BEING PROMOTED AND PROTECTED.”

CALIFORNIA WINE AT A GLANCE

CALIFORNIA PRODUCES

90% OF ALL U.S. WINE

THREE OUT OF EVERY FIVE BOTTLES OF WINE

SOLD IN THE U.S. ARE FROM CALIFORNIA

CALIFORNIA WINE EXPORTS

EXCEED \$1 BILLION

ANNUALLY AND ARE GROWING

MORE THAN 20 MILLION

TOURISTS VISIT CALIFORNIA WINE REGIONS EACH YEAR

CALIFORNIA WINE

GENERATES

MORE THAN 300,000 JOBS IN THE STATE

AND

MORE THAN 800,000 NATIONWIDE

regulatory measures dealing with air, water, labor and other issues—often unnecessary and not science-based—are proposed without regard to their economic impact. We work to either defeat or modify these proposals. Finally, the U.S. is now the number one wine market in the world—everyone wants to sell wine here, so we have competitors from around the globe. The European Union spends nearly 20 times more than the U.S. on wine export promotion. That is why we work to promote the attributes of California wine in the U.S. and abroad and seek to have a level playing field in the international arena for our exports.

Where has progress been made as you look back over the past several years?

First, our growth in membership and the success we've had at the state and federal levels to defeat proposals to increase taxes and fees on wine. Also, the creation of our Code of Sustainable Winegrowing (and formation of the California Sustainable Winegrowing Alliance) and the significant increase in California wine exports are noteworthy. California wines recently surpassed a billion dollars in export sales; back in 1985, it was \$35 million. And, we've opened up 38 states for direct-to-consumer shipping—this is exceptionally important for small-and-medium-sized wineries as well as consumers.

What inspires you most about working on behalf of California wineries?

That's easy—it's the people. I joined the organization 20 years ago to help this great industry and stayed because the people are wonderful. Their passion and hard work are remarkable, and their wines as well as their business values are second to none. Our great staff and I are motivated by them every day.

WINE INSTITUTE AT A GLANCE

WE'RE NOW MORE THAN
1,000 MEMBERS STRONG

OUR PRESENCE EXTENDS WORLDWIDE
TO ADVOCATE FOR MEMBERS' INTERESTS

BEYOND OUR HEADQUARTERS IN
SAN FRANCISCO,
WE HAVE OFFICES IN
SACRAMENTO, WASHINGTON, D.C.,
SIX REGIONS IN THE U.S. WITH
REPRESENTATION IN
ALL STATE CAPITALS
AND
16 INTERNATIONAL MARKETS

EVERY WINERY CAN GET INVOLVED;
MINIMUM DUES START AT \$300 FOR
WINERIES PRODUCING 2,500 CASES OR LESS,
THEN ARE CALCULATED BASED ON A CHOICE
OF PERCENTAGE OF SALES OR GALLONS SOLD

OUR 80-MEMBER BOARD
INCLUDES VINTNERS
—SMALL, LARGE AND IN BETWEEN—
FROM EVERY REGION IN CALIFORNIA AND
NO WINERY HAS MORE THAN TWO VOTES ON
OUR BOARD

ALL MEMBERS ARE INVITED
TO ATTEND OUR QUARTERLY BOARD
MEETINGS, PARTICIPATE IN COMMITTEE
MEETINGS AND JOIN US FOR WORKSHOPS
AND CONFERENCES

HOW WE SUPPORT OUR MEMBERS: FROM GRAPES TO GLASS

As our members know well, making wine takes skill, passion, perseverance, continuous learning, and the support of a vibrant community. Wine Institute's work assists members at every stage of the journey. Below are some highlights of our work, all focused on creating the most favorable conditions possible for the production and enjoyment of California wines.

1. WE ADVOCATE

We track the maze of California regulations on everything from air quality to land use. We advocate for favorable policy and environmental measures that are science-based, environmentally sensitive and economically feasible. And we are a voice for funding of pest eradication and agricultural research for California vineyards.

2. WE OFFER GUIDANCE

Winemaking is an art and a business. We provide support on labor issues, business permits, legal matters and more—so that our members can focus on grape-growing and winemaking. We help the business run smoothly, and our workshops on sustainable winegrowing and other topics facilitate the sharing of information that is a hallmark of our industry.

3. WE PROVIDE A VOICE

We work with Congress and a range of federal agencies, including the USDA, FDA, FTC and TTB, to make sure that the industry's point of view is being heard. We help our members navigate the label approval process through a pre-review service that taps into our years of experience with the TTB.



4. WE PROMOTE OUR INDUSTRY

We help tell the story of California wine. Each September, California Wine Month heightens public interest in all that our industry has to offer. We promote hospitality by advocating for in-store wine tastings and wine-by-the-glass sales at wineries. And we support our members through our work as a media liaison, consumer website and promotional programs in 25 countries around the world.

5. WE FIGHT BUSINESS BARRIERS

Bringing wine to consumers is the culmination of the journey. We help our members make sense of the thousands of laws across the U.S. related to selling wine and oppose trade barriers and punitive taxes and fees on wine state-by-state. We provide timely updates on the regulatory landscape to keep our members informed.

6. WE SUPPORT THE ENJOYMENT OF WINE

We continue to open up states for direct-to-consumer shipping, which is now available to 85 percent of American consumers in 38 states and D.C. In addition, we track state shipping regulations and work to make them more manageable and uniform. We provide FedEx discounts to our members, a huge advantage especially for smaller wineries.



WE CREATE A UNIFIED VOICE FOR CALIFORNIA WINERIES

OUR PRIORITIES



FEDERAL RELATIONS

We have a strong presence in Washington, D.C. to ensure that the interests of our members are well represented before Congress, the Administration and key agencies and organizations. We work with the TTB, FTC and FDA, as well as the Department of Agriculture, National Institutes of Health and many others. Specific issues include:

* **TAXES:** The potential for new taxes is a constant threat, and our Washington office works for equitable proposals and fights punitive measures that single out wine and alcohol.

* **FARM BILL:** We seek funds for viticulture research, conservation, sustainable agriculture, Pierce's disease and other pests, international market development and domestic rural development.

* **LABELS, LABOR, AND DIETARY GUIDELINES:** We work on labeling regulations,

immigration policy, dietary guidelines on alcohol and other key issues.

* **INTERNATIONAL TRADE:** We work closely with the U.S. Trade Representative office on tariff and trade barrier reduction, free trade agreements and negotiations with other nations.

ADVOCACY IN ACTION: THE EVOLUTION OF DIRECT-TO-CONSUMER SHIPPING

One of our key areas of focus has been opening up states for direct-to-consumer wine shipments. As these maps show, the landscape has changed dramatically in recent years. We continue to work to preserve this freedom—and to make state regulations more manageable and uniform.

■ PROHIBITED

■ RECIPROCAL

■ LIMITED DIRECT / PERMIT

TRENDS WE'RE WATCHING

We stay on top of the issues that matter to the industry and let our members know what's on the horizon:

- * Increasing competition in the U.S. market, which is now the world's largest in total consumption and is being targeted by all wine-producing nations
- * Risks posed by extensive and protracted state budget deficits
- * Re-emergence nationally and internationally of anti-alcohol groups that oppose even the moderate consumption of wine, beer and spirits by responsible adults
- * Proposals to allow city and county government to levy taxes and fees and provide regulatory oversight
- * Pressures to include additional information on labels: allergens, nutrition, ingredients and warnings
- * Increased environmental and regulatory oversight as well as market expectations around sustainability
- * Cultivation of emerging international markets such as China, in support of our goal to reach \$2 billion in California wine exports by 2022

OUR PROGRAMS: FROM SUSTAINABILITY TO EXPORTS

SUSTAINABLE WINEGROWING

Wineries throughout California have been leaders in adopting sustainable practices from grape to glass—from water conservation to energy efficiency to integrated pest management. We have supported these efforts through our Sustainable Winegrowing Program and the creation of the California Sustainable Winegrowing Alliance (CSWA), a partnership between Wine Institute and the California Association of Winegrape Growers.



CALIFORNIA
SUSTAINABLE WINEGROWING
ALLIANCE

CSWA runs frequent workshops for members on sustainable topics, provides a self-assessment workbook and third-party certification option, and publishes industry-wide

sustainability reports. This work has helped establish sustainability as a true differentiator for the California wine industry, one that speaks to its unique contributions to the state and the world.



CALIFORNIA FIRST

Communicating about the benefits and contributions of California wine helps reach both policymakers and consumers. California First celebrates the industry's diverse wine regions, as well as its talented winemakers, ideal climate and soils for winegrapes, focus on sustainable winegrowing, and inspired approach to life.

California Wine Month, the program's signature event every September, features

retail and restaurant promotions, winery events, and special events generating significant media coverage.

Since 2007, we have partnered with the California Travel and Tourism Commission (now Visit California) to expand public interest in California wine and food. We continually seek new outlets for a story that has become synonymous in many people's minds with the state's vibrancy and spirit.

INTERNATIONAL TRADE AND MARKETING

We established our first international office in Canada in the 1980's and now have a network of 16 representatives managing programs in 25 countries, assisting vintners with promotional efforts and critical market information. Our export program also focuses on:

- * Advocating and helping to protect the industry's interests regarding international trade barriers
- * Organizing California's participation in international wine trade



shows and leading trade missions to key export markets for events with trade and media

- * Promoting California wine by bringing in key wine buyers and media from throughout the world—Europe, Canada, Asia, Latin America - to experience the state's wine regions
- * Working to expand opportunities in China through trade representation, the hosting of Chinese trade and media visits in California, and a variety of promotions, including our first California wine advertising and awareness program in China
- * Overseeing the USDA's Market Access Program for California wine exports

In early 2011, we launched Discover California Wines, a global branding campaign aimed at boosting exports by telling the story of California wines through stunning images of the landmarks, vistas, cuisine and sustainable lifestyle that make Golden State wines unique.



Consumers worldwide learn about California wines and lifestyle at www.discovercaliforniawines.com



Events for media, trade and consumers showcase the state's diverse regions



We market California wines in China with advertising, PR and trade promotions

HOW TO JOIN

JOINING PUTS YOU IN GOOD COMPANY. See who your fellow members are by going to: www.wineinstitute.org/memberships/members.

STEP 1

Eligibility: To become a member, you must be a licensed winemaker, or you need to own or lease a bonded winery or a bonded wine cellar in California. In addition, you must be producing or selling wine in the state.

STEP 2

Download our membership application and dues calculation forms. You can base your dues on either percentage of sales or gallons sold; information can be found at www.wineinstitute.org/memberships/join.

STEP 3

Don't hesitate to contact us with questions. Email Britta Shiels at bshiels@wineinstitute.org. For more information on becoming an associate member, go to: www.wineinstitute.org/memberships/associate.

ANOTHER GREAT REASON TO JOIN

FedEx offers Wine Institute members exclusive discounts and wine shipping expertise.

It's just one of the many benefits of membership in Wine Institute. We give you access to the FedEx Advantage® program. You get the peace of mind that comes with FedEx® shipping options tailored for wineries, plus great discounts on FedEx Express® and FedEx Ground® services. For more info, go to wine.fedex.com.



* For eligible FedEx® services and rates, contact Wine Institute.
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