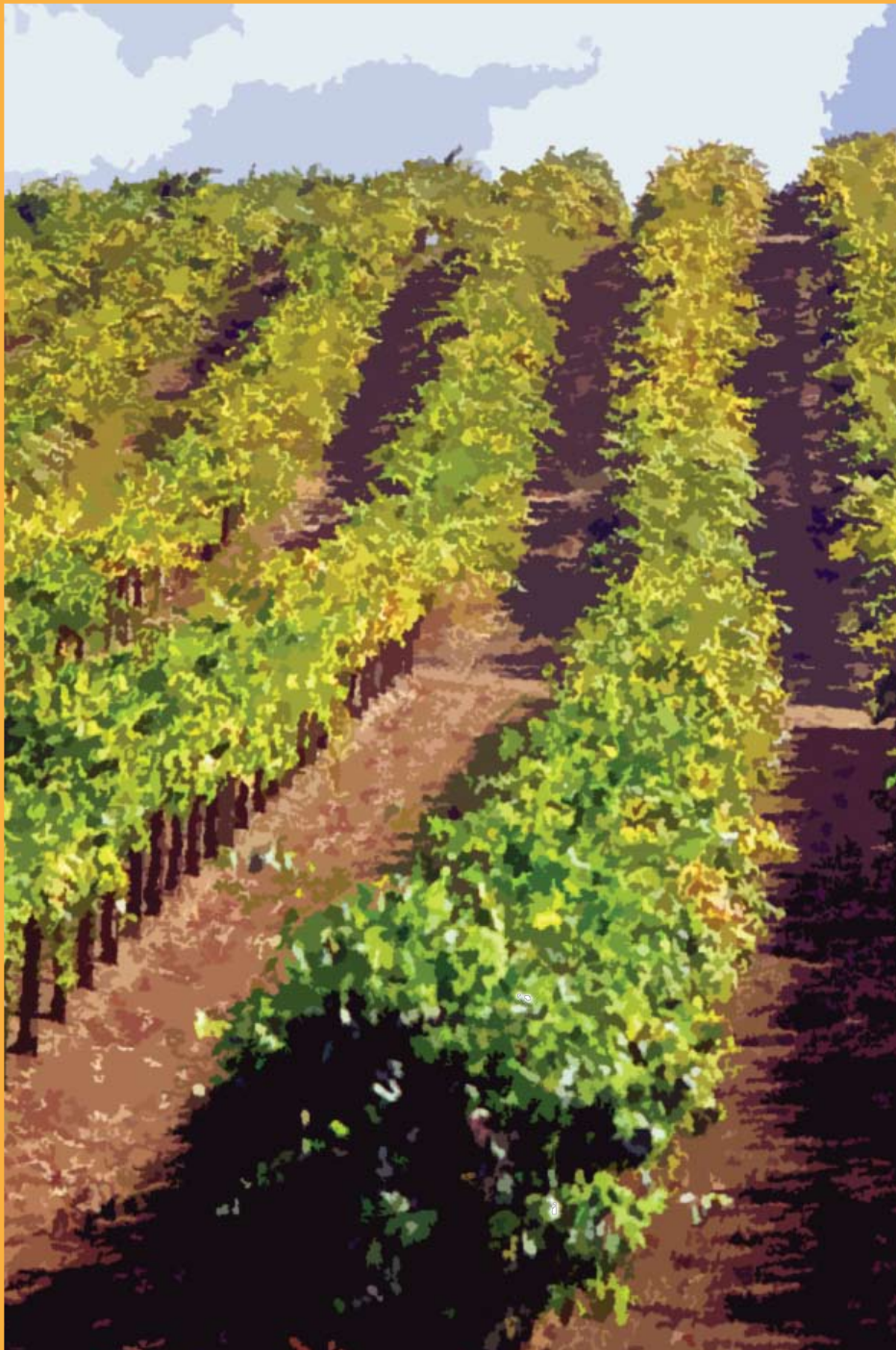


A Signature California Industry

California Wine



Wine is the number one finished agricultural product in retail value in the U.S.



- ▶ California is America's top wine producer, making 90% of all U.S. wine.
- ▶ California is the fourth leading wine producer in the world behind the countries of France, Italy and Spain.
- ▶ California's high wine quality is tied directly to the state's ideal climate, topography, and soil for winegrapes, so the industry will always be based in California.
- ▶ California wine is world renowned with sales increasing every year since 1993 and accounting for two-thirds of all wine sales in the U.S.
- ▶ California's wineries are predominantly family owned and multi-generational.
- ▶ California wineries support their communities and are philanthropic.

California's Wine Industry Benefits the State and Nation

- ▶ Produces \$51.8 billion in economic value for California.
- ▶ Generates \$125.3 billion for the U.S. economy.
- ▶ Creates 309,000 jobs in California and a total 875,000 jobs nationwide.
- ▶ Pays \$10.1 billion in wages in California and a total \$25.2 billion nationwide.
- ▶ Makes \$13 billion in state and federal tax payments.
- ▶ Attracts 19.7 million tourists annually to all regions of California.
- ▶ Generates wine-related tourism expenditures of \$2 billion in California.
- ▶ Gives \$115 million in annual charitable contributions from California wineries.

California Wine and Wineries Offer Intangible Benefits to Communities:

- ▶ Enhance the quality of life.
- ▶ Promote farming and winemaking practices that are socially and environmentally responsible.
- ▶ Offer cultural attractions such as music, festivals, theater, gardens and museums.
- ▶ Support local retailers, restaurants, hotels and other businesses.
- ▶ Preserve open space and provide scenic pastoral landscapes.
- ▶ Build pride for rural communities.
- ▶ Bring positive visibility to California and the U.S. worldwide.

California Wine Industry Profile¹

Number of Bonded Wineries	2275 Nearly all family-owned, Up 182% from 807 wineries in 1990
Number of California Grape Growers	4,600
California Wine Sales to the U.S.	185 million cases Up 19% from 156 million cases in 1990
Retail Value of California Wine in the U.S.	\$16.5 billion
Share of U.S. Wine Market	63% Two out of three bottles sold in the U.S. are California wines
U.S. Wine Exports (95% from California)	\$672 million winery revenues Up 391% from \$137 million in 1990
	43 million cases to 165 countries Up 258% from 12 million cases in 1990
Winegrape Acres	522,000 Though vineyards cover less than 1% of the state's terrain
Average Tons Harvested of Winegrapes²	3.1 million
Farm Gate Value of Winegrapes²	\$1.78 billion

Source: MKF Research LLC and Wine Institute.

¹Based on 2005 data. ²Five-year average based on 2000-2005 data

What Wine Institute Supports

- ▶ Legislation and regulation that serve to encourage growth of the California and U.S. economy.
- ▶ Sensible and reasonable immigration reform that protects U.S. borders and ensures a reliable workforce.
- ▶ Funds for agricultural research to remain competitive in the global marketplace.
- ▶ Fair taxation and science-based regulation.
- ▶ Liberalized direct-to-consumer shipping.
- ▶ Leveling the playing field for California wine exports by reducing high tariffs and eliminating other trade barriers.
- ▶ Sustainable winegrowing and winemaking practices.
- ▶ Public policy and educational initiatives that promote the responsible and moderate consumption of wine.
- ▶ A Code of Advertising Standards that requires responsible marketing practices by Wine Institute members.



Established in 1934, **Wine Institute** is the public policy advocacy group of more than 1000 California wineries and affiliated businesses. For more information, contact Wine Institute, 415/512-0151, or: www.wineinstitute.org. 425 Market Street, Suite 1000, San Francisco, CA 94105