



# WINEGRAPE GROWERS OF AMERICA — EST. 1978

*The official newsletter of the Winegrape Growers of America*



## WINEGRAPE ADVOCACY ON THE HILL: FEDERAL LANDSCAPE RECAP AND FUTURE

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### **Congress Update: Navigating the Political Labyrinth for 2024**

As the House and Senate gear up for the year's end, the agenda remains packed. Despite the absence of imminent funding deadlines until January 19, 2024, Congress is poised to address crucial matters, including the National Defense Authorization Act and the Foreign Intelligence Surveillance Act. Additionally, Ukrainian President Zelenskyy's visit aims to secure funding for Ukraine's war efforts against Russia. On the domestic front, the House is preparing for a significant move – launching an impeachment inquiry into President Biden before the year concludes, setting the stage for a turbulent 2024.

### **Reflecting on 2023: A Congressional Recap**

The 118th Congress commenced early in January 2023 amid significant changes following the 2022 Midterm elections. The House saw a shift in power, marking a Republican majority, setting the stage for Rep. Kevin McCarthy (R-CA) to ascend as Speaker. However, his election was no easy feat, necessitating fifteen ballots due to a narrow majority and a divided caucus. One of the most notable concessions was granting the power to a single member to call for the Speaker's removal, highlighting the inherent internal challenges.

Soon after, a looming economic crisis—the impending breach of the debt ceiling. Negotiations between Speaker McCarthy and President Biden ensued for weeks, culminating in a compromise marked by across-the-board spending cuts. While the deal faced criticism within the House

Republican Caucus, the agreement aimed to avert a catastrophic default. Essential to this was the passage of the twelve annual appropriations bills before September 30, 2023, the end of the 2023 fiscal year.

Throughout the summer, the House and Senate Appropriations Committees diligently crafted their respective bills. However, the House deviated from the Speaker-President deal, pushing for higher spending cuts. Senate bills adhered to the initial agreement, passing out of committees with overwhelming bipartisan support in July. The House, in contrast, faced party-line votes in committee and failed to bring all bills to the floor before the August 2023 recess.

As September 2023 loomed, a government shutdown seemed inevitable until Speaker McCarthy announced a "clean" continuing resolution to fund the government, devoid of the spending cuts favored by his caucus. This bipartisan approach, however, led to McCarthy's ousting from his position, highlighting the deep divisions within the GOP.

The subsequent election of Mike Johnson (R-LA) as Speaker ushered in renewed focus on appropriations. Funding was extended through January 19, 2024 and February 9, 2024 for various agencies, avoiding a year-end rush for a comprehensive omnibus appropriations bill but setting the stage for potential turmoil in early 2024.

Apart from funding woes, little else was accomplished in Congress this past year. The Farm Bill expired on September 30, 2023, with no sight of legislative language for its renewal. The existing bill was extended through September 30, 2024, contributing to a sense that the 118th Congress hardly got off the ground. With the specter of an election year and potential impeachment proceedings, partisan tensions and dysfunction seem likely to persist in 2024.

## FARM BILL UPDATE

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### **Farm Bill Extension: A Look Ahead for America's Growers**

In a surprising turn of events, Congress has greenlit a one-year extension for the current Farm Bill. This extension ensures that the support systems in place for farmers and ranchers will persist until the close of 2024.

The decision to extend the current Farm Bill stems from the impasse in crafting a new bill. Disagreements between the House and Senate on fundamental aspects, including funding for farm programs, conservation initiatives, and the future of SNAP, have stalled progress.

While this extension grants a year-long continuity, it also means that the existing programs won't evolve to meet the evolving challenges faced by farmers, like climate shifts and escalating input expenses.

### **Impact on National Farmers**

The current Farm Bill extension offers stability, allowing farmers to anticipate government program outcomes for the upcoming year. However, it falls short in adapting to the pressing needs of today's farmers, leaving critical issues unaddressed.

## What Lies Ahead?

The Farm Bill's future is uncertain. Swift action is imperative if Congress aims to avoid another extension. Nevertheless, the current political climate poses significant hurdles to reaching a consensus.

## Crucial Areas in Focus

- **Funding Allocations:** Divisions persist on the proposed funding increments. The House leans towards a substantial raise, while the Senate opts for a more conservative increase.
- **Conservation Emphasis:** Discord revolves around the role of conservation programs. While the House aims to expand them, the Senate is inclined to reduce funding for certain programs.
- **SNAP Outlook:** The fate of SNAP remains ambiguous. Some lawmakers advocate cuts, while others push for expansion of the program.
- **Federal Crop Insurance:** An increasing source of competing legislative aims.

## Federal Crop Insurance: Navigating the Debate

Federal safety nets for farmers, particularly the extensive investment in crop insurance, emerge as a central point of contention anticipated in the upcoming farm bill discussions. The billions of dollars spent annually on crop insurance have been subject to significant changes since its inception in the 1930s, serving as a protective shield against a myriad of risks faced by agricultural producers.

## Federal Crop Insurance: Program Structure and Criticisms

This federal initiative provides growers with protection against various perils, ranging from drought and hail to disease outbreaks and price fluctuations. However, debates regarding its cost and lack of means testing for the most profitable operations have amplified the calls for reform.

Federal crop insurance programs cover an expansive 493 million acres of farmland, predominantly in commodities like corn, cotton, peanuts, sweet potato, barley, wheat, and sunflowers. The concern lies in the disproportionate distribution of benefits, with more significant shares directed to the most profitable operations. Although over 85% of planted acres for these commodity crops are insured, smaller-scale farmers with 50 acres or fewer exhibit minimal participation, leading to a concentration of benefits among the largest and most prosperous farm entities.

## Calls for Change

Several advocacy groups and government watchdogs have proposed changes, including means testing for wealthier growers, alterations in subsidies for high-risk land, and lifting restrictions that prevent the government from realizing savings during insurers' reinsurance agreement renegotiations. However, resistance to these proposals exists among key figures in Congress, with debates centering on the program's benefits and fairness of its distribution.

## **Industry's Perspective and Future Projections**

Amid these debates, major agricultural groups are emphasizing risk reduction tweaks and increased permanent disaster assistance in the forthcoming farm bill, aligning with the industry's evolving challenges posed by severe weather events and the enduring impacts of the Covid-19 pandemic.

### **Farm Bill Moving Forward**

As discussions loom over the next farm bill, the trajectory of crop insurance reform remains uncertain. While crop insurance might not be the primary battleground, the broader debates are expected to focus on nutrition, climate change, and other pivotal provisions that shape the agricultural landscape.

The Farm Bill holds immense complexity and touches the lives of millions. Staying informed about ongoing developments is pivotal in comprehending its impact.

## **AGRICULTURE APPROPRIATIONS ACT IN 2024**

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### **Crucial Legislation Ahead: Agriculture Appropriations Act 2024**

As we navigate the intricate landscape of the wine industry, one legislative endeavor takes center stage—the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2024. Beyond its bureaucratic veneer, this bill is pivotal, carrying funding provisions that can sustain and advance our industry through critical research, market expansion, and promotional initiatives.

### **The Importance of this Legislation**

This appropriations bill holds far-reaching significance. It serves as a lifeline for our industry, housing provisions that directly impact our ability to flourish. Programs like the Specialty Crop Research Initiative, Market Access Program, and Federal State Marketing Improvement Program are not just bureaucratic names; they constitute the core of our industry's growth and prosperity.

### **Anticipated Impact**

The financial implications of this appropriations bill's approval cannot be overstated. Its passage would secure substantial support for vital research, market expansion, and promotional initiatives, nurturing an environment conducive to industry growth. Conversely, any delay or shortfall in funding might impede our ability to conduct essential research, limit market access, and curtail promotional activities, ultimately affecting our competitive edge.

### **Beyond Finances: Upholding Reputation and Credibility**

This appropriations bill's approval extends beyond its impact on our financial statements. It reaffirms the federal government's dedication to sustaining and enhancing the agriculture industry, fortifying our

reputation as a sector worthy of support. Our Winegrape Growers of America endorsement underscores our industry's commitment to innovation, growth, and sustainability, further enhancing our credibility as significant contributors to economic development.

## A Unified Voice

While this appropriations bill affects the broader agricultural landscape, our advocacy holds weight. As stakeholders influencing this legislation, our collective voice magnifies our impact, emphasizing the crucial nature of these provisions specifically for our industry.

## The Case for Support

The rationale for backing this appropriations bill is evident:

- **Essential Financial Support:** Crucial funding for grape research, market expansion, and promotional endeavors.
- **Recognition of Industry Importance:** Government acknowledgment fostering a supportive environment.
- **Potential Consequences of Inadequate Funding:** A delay or shortfall hindering progress and global competitiveness.

As members of the Winegrape Growers of America, our support for this legislation is pivotal. It signifies our unwavering commitment to growth, innovation, and sustainability within the wine industry.

Let us unite in advocating for the Agriculture Appropriations Act, securing a thriving future for our industry.

## EMPOWERING OUR INDUSTRY: ADVOCATING FOR THE SPECIALTY CROPS REPORTING ACT

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In our ongoing commitment to champion fair trade policies that elevate the competitiveness of vineyards and wineries nationwide, the Specialty Crops Reporting on Opportunities and Promotion Act of 2023, more commonly recognized as the Specialty CROP Act, emerges as a crucial touchstone. But how does this legislation specifically impact the winegrape industry at the national level?

### Unpacking the Legislation: A Comprehensive View

At its core, the Specialty CROP Act necessitates an annual evaluation of the competitive landscape for United States specialty crop exports. This law is designed to pinpoint and overcome hurdles

hindering the export potential of specialty crops, thus ensuring a level playing field in international trade.

### **Legislative Goals and Strategy:**

Championed by Rep. Bonamici, this bill mandates an annual report to Congress led by the Secretary of Agriculture in collaboration with the U.S. Trade Representative. The proposed annual report's primary focus will involve an in-depth analysis of barriers—ranging from tariffs and quotas to other non-tariff obstructions—that impede the smooth export of specialty crops.

### **Our Case for Supporting this Initiative:**

- **Advocating for Fair Trade:** Our endorsement echoes the fundamental principles of our industry—promoting fair trade practices, facilitating fewer impediments for specialty crop exports in global markets.
- **Industry Representation:** Our support underscores the imperative need to confront trade barriers affecting specialty crop exports, highlighting our role as a vital industry stakeholder.
- **Enhancing Industry Image:** It fortifies our industry's standing as a conscientious and forward-thinking entity that actively advocates for fair trade practices.

As we forge ahead, advocating for this Specialty CROP Act bill holds paramount importance in cultivating a competitive environment for our specialty crops on a national scale. This legislative effort mirrors our unwavering commitment to addressing trade hurdles and striving for fairness and transparency in global trade practices.

## **UPHOLDING AGRICULTURAL STABILITY: THE AGRICULTURAL EMERGENCY RELIEF ACT ADVOCACY**

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In the midst of our nation's flourishing vineyards and wineries, the challenges posed by natural disasters persist as a critical concern. Recognizing these trials and standing firm in support, the Winegrape Growers of America is fully backing the Agricultural Emergency Relief Act of 2023—a bipartisan initiative aimed at establishing a dedicated framework within the U.S. Department of Agriculture to furnish essential relief to our grape-growing community in times of crisis.

### **Understanding the Legislation: What It Promises**

At its core, this act strives to eliminate current USDA constraints on payments to growers whose combined farm and nonfarm Adjusted Gross Income (AGI) exceed \$900,000. These limitations presently curtail payments for disaster, commodity, and conservation programs. However, this bill seeks to waive these restrictions for farms that derive 75% of their income from farming. This ensures access to vital disaster relief programs including ELAP, LFP, LIP, TAP, and NAP.

## Legislative Intent: Addressing Future Uncertainties

The Agricultural Emergency Relief Act aims to institute a lasting structure to promptly assist farmers coping with crop losses due to a spectrum of natural disasters, spanning wildfires, droughts, floods, hurricanes, and more. Importantly, this legislation focuses on the immediate needs of specialty crop growers, ensuring access to relief programs vital for sustaining vineyards.

### Grounds for Our Support:

- **Financial Relief:** This Agricultural Emergency Relief Act bill serves as a crucial mechanism, offering substantial financial relief to wine grape growers, ensuring access to critical disaster relief programs, and alleviating the financial burden caused by calamities.
- **Industry-Tailored Support:** It acknowledges the distinct challenges faced by the wine grape industry during crises, showcasing a dedication to bolstering our sector's economic resilience on a national scale.
- **Proactive Approach:** Supporting this legislation underscores our proactive stance in confronting vulnerabilities posed by natural disasters, demonstrating unwavering resilience and a commitment to surmounting adversities.

## GUARDING OUR INDUSTRY: THE SMOKE EXPOSURE CROP INSURANCE ACT ADVOCACY

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As we navigate the intricate landscape of vineyard cultivation across our nation, a pressing concern looms—the peril of wildfire smoke exposure threatening our grapes and the livelihoods of growers across diverse regions.

In response to this formidable challenge, bipartisan legislation—the Smoke Exposure Crop Insurance Act (H.R. 4308 / S. 2134)—provides an opportunity to make a significant stride towards amending the Federal Crop Insurance Act and fortifying our industry against the perils of wildfire smoke exposure.

### Understanding the Legislation: A Shield Against Smoke Impact

The Smoke Exposure Crop Insurance Act, represented by H.R. 4308 and S. 2134, serves as a pivotal measure aimed at amending the Federal Crop Insurance Act. Its central focus lies in crafting a comprehensive crop insurance policy tailored explicitly to safeguard wine grapes from losses stemming from wildfire smoke exposure.

### The Context: Safeguarding Our Vineyards' Essence

Wildfires have increasingly posed threats to our vineyards, notably in areas spanning California, Oregon, and Washington. The profound impact of smoke exposure on wine grape quality stands as a

pressing concern, directly impacting the economic stability of our growers. This legislation is an imperative mandate for conducting research and developing insurance mechanisms explicitly designed to safeguard wine grapes from smoke-induced damages.

### Reasons Behind Our Support: A Compelling Advocacy

- **Financial Resilience:** Tailored crop insurance forms the cornerstone of our growers' financial stability.
- **Resilience against Adversity:** Strengthening insurance aligns with our industry's resilience in combating climate-related challenges.
- **Risk Mitigation:** The Smoke Exposure Crop Insurance Act bill symbolizes government support for our industry's sustainability and economic vitality.
- **Quality Assurance:** Safeguarding wine grape crops directly translates to upholding the reputation and quality of our wine production.

### Our Commitment: Advocacy for Our Industry

As the Winegrape Growers of America is an association deeply committed to the prosperity of our vineyards and growers nationwide, we staunchly stand behind the Smoke Exposure Crop Insurance Act. This legislation transcends mere insurance; it's a testament to securing our vineyards' future, safeguarding our industry against nature's adversities.

While the path forward may present political hurdles, our unified voice wields significant influence. Let us unite, transcending regional boundaries, to ensure our industry garners the support it rightfully deserves.

Amidst uncertainties, this legislation signifies hope—a vow to protect the essence and vitality of our vineyards.

## WGA APPLAUDS THE CONGRESSIONAL 21<sup>ST</sup> AMENDMENT CAUCUS FORMATION

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Last month marked a significant milestone for the beverage industry as the Winegrape Growers of America joined in celebrating the inception of the Congressional 21st Amendment Caucus, alongside the Wine & Spirits Wholesalers of America, American Beverage Licensees, American Distilled Spirits Alliance, and National Beer Wholesalers Association .

Chaired by Rep. Stephanie Bice (R-OK 5th District) and Rep. Susie Lee (D-NV 3rd District), this caucus pledges to champion effective, state-based alcohol regulations vital for American consumers and the marketplace. The core agenda involves educating Congress members and their staff about the pivotal role these regulations play in tax collection, public health initiatives, and the promotion of a competitive, secure market.



During a special evening reception commemorating the 90th anniversary of the 21st Amendment ratification, the caucus and its co-chairs were honored.

"We commend the establishment of the 21st Amendment Caucus, safeguarding the robust and successful alcohol regulatory system that has served the American public admirably," stated Kristian Mattson, a Winegrape Growers of America representative. "This caucus stands as a bastion against initiatives that could limit consumer choices and compromise the integrity and safety of the American market."

Aligning with the sentiments voiced by industry leaders like John Bodnovich, Executive Director of American Beverage Licensees, the Winegrape Growers of America reiterated the importance of steering clear from the shadows of prohibition, ensuring the pivotal role of every tier in the beverage alcohol industry for the American economy.

The formation of the Congressional 21st Amendment Caucus signifies a commitment to preserving an effective regulatory framework, championed by leaders like Reps. Bice and Lee. The Winegrape Growers of America pledges its support to ensure a vibrant and secure beverage alcohol marketplace for American consumers and the nation's economy.