



Regulations, Markets, & Agritourism for Vineyards and Farm Wineries

Grape Field Day, May 18, 2023

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Overview

Issues for vineyards and wineries in Florida on the topics of...

1. Regulations
2. Markets
3. Agritourism



Farm or Vineyard Regulations

Federal

- **Dept of Agriculture** – registration for programs, services; federal marketing orders
- **Food & Drug Administration** – food safety
- **Dept of Labor** – labor laws and farm safety
- **Environmental Protection Agency** – environmental laws; pesticide registration/labels
- **Internal Revenue Service** – taxes

Farm or Vineyard Regulations

State of Florida

- Best management practices (BMP) for water quality/quantity
 - Specialty Fruit & Nut Crops manual; FDACS verification
- Pesticide applicator license
- Viticulture Policy Act
- FL Dept of State and Dept of Revenue

Water Management Districts

- Water use permits

Local

- Zoning restrictions
- Property taxes

Food Safety for Vineyards

Food Safety Modernization Act (FSMA), Produce Safety Rule:

- Water quality testing
- Safe use of manure and compost
- Avoiding contamination by domesticated or wild animals
- Worker training and hygiene
- Sanitation of equipment, tools, buildings

Exemptions:

- Produce rarely consumed raw; “wine grapes” (2019)
- Farms with average annual produce sales less than \$25,000.
- Qualified exemption if sales less than \$500,000/year, and mostly direct-to-consumer or direct-to-local-restaurant/retailer.

Winery Regulations

Federal

Regulated by the Alcohol & Tobacco Tax & Trade Bureau (TTB) under the U.S. Department of the Treasury

- Permit required for winery, importer, or wholesaler
- Registration required for alcoholic beverage retailer
- Federal excise tax, \$1.07/gal to \$3.40/gal

TTB also regulates wine labeling:

- Brand, type, origin; American Viticultural Areas
- Alcohol content (ABV)
- Contains sulfites
- “Government Warning: (1)...risk of birth defects. (2)...impairs your ability to drive a car..., and may cause health problems.”

Winery Regulations

State of Florida

- Wineries regulated by Dept. of Business & Professional Regulation, Division of Alcoholic Beverages & Tobacco.
 - Wine manufacturer annual license fee: \$1,000 (\$2,000 if cordials too)
 - Beer & wine vendor, on-premise or package sales: \$168 to \$392
 - Beer & wine vendor, package sales only: \$84 to \$196
 - Sales tax: 6%
 - Excise tax: \$2.25 to \$3.50 per gallon (paid by winery or distributor)

Florida Statutes 561 & 564

Any licensed wine vendor is authorized to offer wine tastings to persons of the age of legal consumption.

Winery Regulations

State of Florida

Florida Viticulture Policy Act (Florida Statute 599).

- Viticulture Advisory Council
- State Viticulture Plan
- Florida Farm Winery Program
- Viticulture Trust Fund

Florida Farm Winery Program

To qualify...

- Less than 250,000 gallons of wine annually
- Minimum of 5-acre vineyard
- Open to public for tours, tastings, sales at least 30 hours/week.

Benefits: logo and FDOT signs along roadways

Winery Regulations

Local

- Zoning laws
- Health codes
- Sales surtax
- Dry Florida counties: Lafayette & Liberty
- Counties allowing package sales only: Calhoun, Holmes



<https://www.facebook.com/HutchinsonFarmWinery/>

Food Safety for Wineries

Wineries must register with FDA and comply with FSMA.

Food Safety Modernization Act (FSMA), Preventive Controls Rule:

- Subpart A: Qualified individuals with food safety training
- Subpart B: Good manufacturing practices
- Subpart F: Recordkeeping

Exemptions:

- Produce rarely consumed raw; “wine grapes” (2019)
- Qualified exemption if sales less than \$500,000/year, and mostly direct-to-consumer or direct-to-local-restaurant/retailer (within 275 miles).
- Subpart D: Qualified facility attestation

Viticulture in the U.S. & Florida

In the U.S.

- 28,387 farms growing grapes on 1.136 million acres (2017)
- Top 4 states:
 - California, Washington, New York, Oregon

In Florida

- 574 farms growing grapes on 1,595 acres (2017)
- Top 5 counties:
 - Jackson, Lake, Polk, Walton, Hillsborough

Import competition

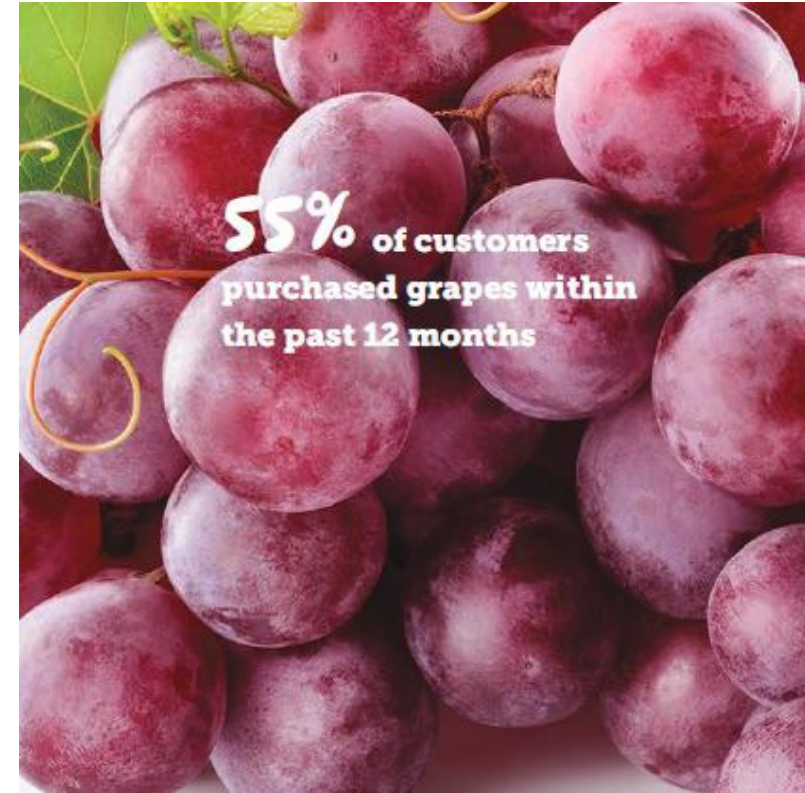
Fresh Grape Markets

U.S. households purchasing grapes:

- 55% in 2022 (#3 ranked fruit)

Demographics, higher likelihood of purchasing grapes among...

- Older age groups
- Higher income households
- White/Caucasian



Credits: The Packer, Farm Journal

Fresh Grape Markets

Ways consumers use grapes:¹

- As a snack (88%)
- As a dessert (18%)
- Salad, side dish, recipe ingredient, or appetizer (10-13% each)

Varieties of grapes preferred by consumers:²

- Green seedless (66%)
- Red seedless (63%)
- Blue/black seedless (30%)
- Green, red, or blue/black with seeds (9-13% each)

¹The Packer.com. 2020. Fresh Trends 2020. Farm Journal.

²The Packer.com. 2022. Fresh Trends 2022. Farm Journal.

Fresh Muscadine Marketing

Choose varieties with good fresh market characteristics

- Large size
- Sweetness/taste
- Thin skin
- Good firmness/shelf-life
- Dry stem scar

Harvest & post-harvest

- Pick individual berries or clusters
- Consider water wash (potable & 100 ppm chlorine)
- Pack in pint or quart clamshells
- Cold storage (35°-41° F)



Fresh Muscadine Marketing

USDA grades:¹

- U.S. No. 1 (95% high quality)
- U.S. Extra No. 1 (95% high quality and fairly uniform in size)

Possible marketing attributes to promote:²

- Locally grown
- Native grape
- Nutrition label/health benefits
- Convenient/snackable



¹USDA-AMS. 2006. United States Standards for Grades of Muscadine Grapes.

²Perkins-Veazie et al. 2012. Marketing guide for Fresh Market Muscadine Grapes. Raleigh, NC: NC State.

Wine Industry

In the U.S.:¹

- 7,401 wineries in the U.S. (2022)
- \$27 billion winery sales revenue (2022)
- Three largest U.S. wine companies :
 - E & J Gallo
 - The Wine Group
 - Constellation Brands

In Florida:¹

- 64 wineries (2022/23)
- \$107.2 million winery sales revenue (2022/23)

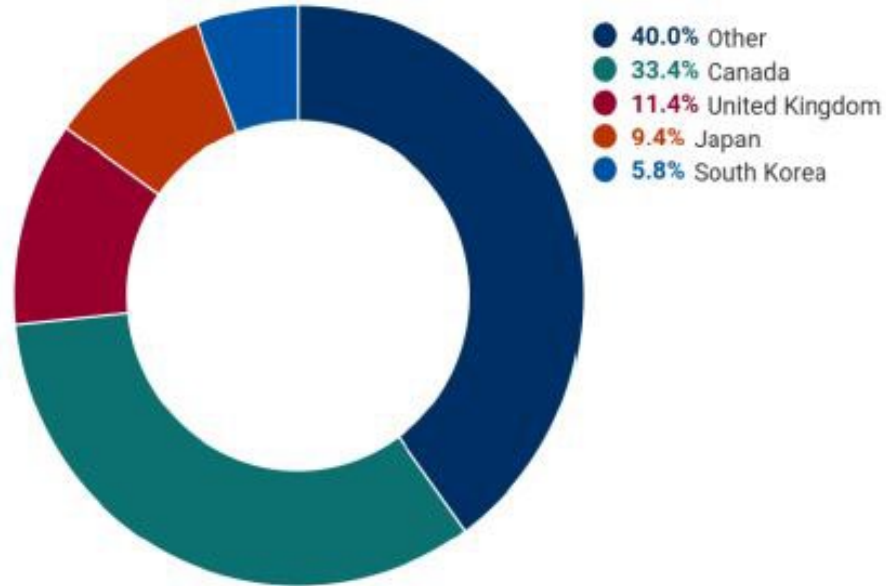
¹Lombardo, C. 2023. Wineries in the U.S. IBIS World.



Credits: E&J Gallo Winery

Wine Exports & Imports

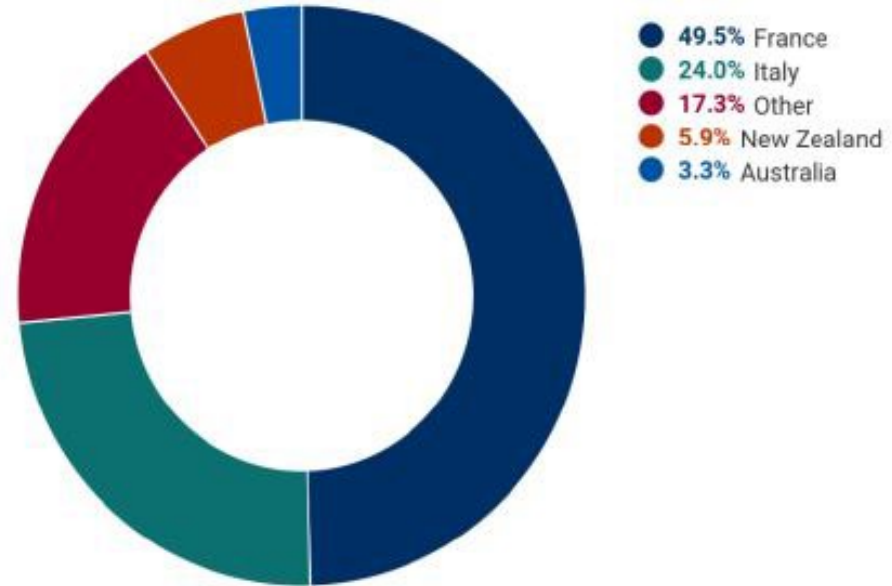
Exports



2023 EXPORTS
\$1.6bn

Wineries
Source: IBISWorld

Imports

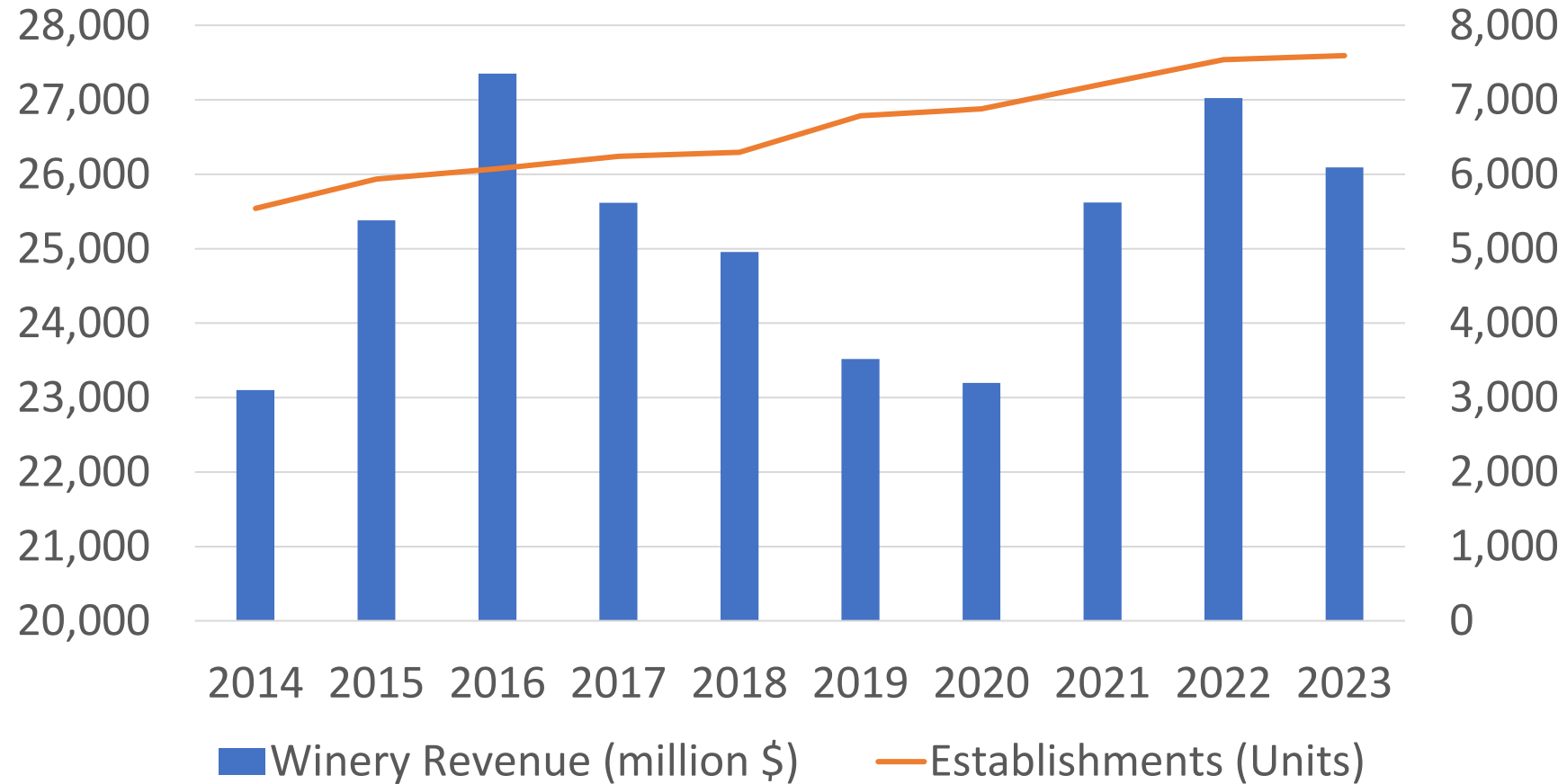


2023 IMPORTS
\$10.9bn

Wineries
Source: IBISWorld

Wine Sales

Wineries in the U.S.



2023 data are projected.

Data source: Lombardo, C. 2023. Wineries in the US. IBIS World.

Wine Market Trends

- Demand for high-priced wine and budget wine depend on economy.
- Increasing imports of wine.
- Craft alcoholic beverages, including craft beer & liquor, and small, niche-brand wine.
- Increasing direct-to-consumer sales.
- Eco-friendly movement; boxed wines and “wild glass”.



Muscadine Wine Marketing

Possible niche marketing attributes:

- Local
- Native grape
- Health benefits

Direct-to-consumer sales



JOIN THE CLUB HERE!

CLUB MEMBER LOGIN

\$30/QUARTER

Credits: Chautauqua Winery,
<https://chautauquawinery.com/>

Agritourism

Types of agritourism:

- U-pick
- Fun-for-kids
- Farm-to-table dinners
- Farm weddings
- Farm festivals
- Farm tours
- Wine tasting



Wine Tours

Complimentary Winery tours and wine tasting are offered 7 days a week
Monday - Saturday, 10 a.m. - 3:45 p.m.



FESTIVALS & EVENTS

Lakeridge Winery's festivals and events are annual traditions, offering the best of live music, food, arts & crafts, giveaways, domestic and

Direct Marketing & Value Added

Direct market or value-added sales by farms in 2017	United States	
	Farms	Avg Value per Farm
Food sold directly to consumers	130,056	\$21,570
Agritourism and recreational services	28,575	\$33,222
Food sold directly to retail/institution branded local or regional	28,958	\$312,042
Processed or value-added products sold from own ag production	33,523	\$120,614

Source: USDA-NASS. 2017 Census of Agriculture.

Florida's Agritourism Law

Agritourism Definition (FS 570.86)

“Agritourism activity means any agricultural related activity consistent with a bona fide farm, livestock operation, or ranch or in a working forest which allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy activities, including farming, ranching, historical, cultural, civic, ceremonial, training and exhibition, or harvest-your-own activities and attractions.”

Florida Agritourism Law (FS 570.85 to 570.89)

- Limits the farmer's liability
- Limits the ability of local governments to restrict agritourism

Agritourism

Possible benefits include:

- Promotion of farm & products
- Direct marketing / higher value
- No harvesting costs for u-pick
- Additional revenue streams

Possible challenges include:

- Liability insurance
- Parking & signage
- Restroom & hand washing
- Customer interaction & supervision



Agritourism: U-Pick



Credits: Paulk Vineyards



Agritourism: Farm & Winery Tours

Farm tours can

- attract potential customers to your farm
- help promote your products



Credits: San Sebastian Winery

Agritourism: Wine Tasting

Florida Statute allows wine tasting on premises with wine vendor license.

- Fee-based: additional revenue.
- Complimentary: promotes & increases package sales.

Taste and See



We know wine tastings can sometimes be overwhelming or pretentious. Join us at the bar for a complimentary wine tasting where our wine guide will make it simple. They'll take you through the 4 S's – See, Swirl, Smell, & Sip.

Credits: Paulk Vineyards

Agritourism: Directories

FDACS, U-Pick Farm Locator

<https://www.fdacs.gov/Consumer-Resources/Buy-Fresh-From-Florida/U-Pick-Farms>

FDACS, Certified Florida Farm Wineries and Vineyards

<https://www.fdacs.gov/Agriculture-Industry/Certified-Florida-Farm-Wineries-and-Vineyards>

Florida Wine & Grape Growers Association, Winery Directory

<https://www.fgga.org/florida-winery-directory/>



WINERY, VINEYARD & U-PICK DIRECTORY

<https://www.fgga.org/florida-winery-directory/>

Agritourism





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