SENATE BILL REPORT SB 5808

As Reported By Senate Committee On: Agriculture & International Trade, February 28, 2001

Title: An act relating to the agricultural marketing of farmer-produced bottled wine at farmers' markets.

Brief Description: Marketing farmer-produced bottled wine.

Sponsors: Senators Constantine, Rasmussen, Patterson, Kastama, Kline, Winsley, Honeyford, Johnson, Regala, B. Sheldon, Prentice, Sheahan, McAuliffe and Zarelli.

Brief History:

Committee Activity: Agriculture & International Trade: 2/16/01, 2/28/01 [DPS].

SENATE COMMITTEE ON AGRICULTURE & INTERNATIONAL TRADE

Majority Report: That Substitute Senate Bill No. 5808 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rasmussen, Chair; Shin, Vice Chair; Parlette, Sheahan, Snyder, Spanel and Swecker.

Staff: David Johnson (786-7754)

Background: Holders of a domestic winery license may sell their products through distributors, at their production sites, and at two additional locations approved by the Liquor Control Board.

Farmers markets are periodic gatherings of producers to sell their products directly to consumers. Some markets are limited to agricultural products while others allow the sale of value added products such as crafts. Some have expressed interest in being able to purchase bottled wine at farmers markets.

Summary of Substitute Bill: The holder of a domestic winery license, who produces less than 5,000 cases per year, may sell its bottled wine at one farmers market if certain criteria are met. The wine's base (e.g., grapes, rhubarb, etc.) must have been grown in Washington and the wine must have been made by the selling winery.

Wineries who qualify may only sell their wine at a farmers market that meets no more than four times per week and that has no more than 20 percent of its retailers selling wine. No tasting is allowed. Wineries must gain the approval of the Liquor Control Board before selling at a farmers market. A farmers market is defined as five or more growers who gather at a specific location to sell their produce directly to consumers.

Substitute Bill Compared to Original Bill: The substitute requires the Liquor Control Board to approve the sale location prior to wine being sold. The substitute requires that the base of the wine (such as grapes or rhubarb) was grown in Washington, rather than having

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to be grown by the seller. Wineries may only sell at farmers markets that meet no more than four times per week and have no more than 20 percent of their retailers selling wine. The substitute does not allow tasting. A winery is not limited to selling in its own county, but may only sell at one market. The substitute added a requirement that sellers comply with all laws, including those related to protection of minors.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill will help small wineries and small farmers to be able to earn a living in agriculture. Direct marketing gives the small farmer a much greater return and customer access. It gives those who might be too small for a distributor an additional opportunity to sell their product and talk to consumers directly. Many small wineries that grow some of their own fruit still buy different varieties from other growers to enhance their products. Other states allow farmers markets sales.

Testimony Against: The Liquor Control Board should have prior approval of sale locations so that local groups can have input and so the board can adequately enforce the laws. There should be some requirement that the wine is from Washington.

Testified: Chuck Dalrymple, Liquor Control Board (con); Heather Hanson, WA Wine Grape Growers Assn. (pro); Miles McEvay, WSDA.

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