



WINE INSTITUTE

2023 YEAR IN REVIEW

A MESSAGE FROM THE PRESIDENT AND CEO

Our History Informs Our Future



During 2023, Wine Institute worked to address critical issues affecting wineries' bottom lines, advocated for California wine at all levels of government, defined and told the story of sustainability leadership and creatively promoted and protected California wines at home and throughout the world. Most importantly, we kept our members informed and prepared to respond to the ever-evolving landscape and challenging business environment.

Our team also laid the groundwork and advocated on key issues that will be front and center during this year. These include U.S. Dietary Guidelines, the Farm Bill, TTB and EU nutrition and ingredient label rulemakings and expanded producer responsibility and bottle deposit legislation in many states.

Throughout our history, the responsible production, marketing and enjoyment of wine has been at the very heart of Wine Institute's existence. In October, Wine Institute will celebrate the 90th anniversary of our creation — which follows last year's same anniversary of the ratification of the 21st amendment and the repeal of Prohibition.

Reflecting on these significant and historic milestones reminds us of the unique attributes of California wine. At the core of our vibrant wine community, our members live and know our distinctive, compelling story best. We're a rich part of the state's economy and culture. Our mainly family-owned businesses have time-honored traditions, but also take advantage of new innovations. We've been a leader in sustainable agriculture for decades. We want every consumer and policymaker to know and appreciate our story.

We pledge to continue to speak with one voice, advocating for what helps to move us forward. As we look at what we have accomplished together in 2023, it is clear the role of Wine Institute has never been more essential.

I encourage you to read the Year in Review and share it with your colleagues.

A handwritten signature in blue ink that reads "Bobby". The signature is stylized and fluid, with a long, sweeping tail that extends to the right.

Robert P. Koch
President and CEO
Wine Institute

Addressing Critical Issues Affecting Wineries' Bottom Lines

- As a result of Wine Institute's efforts, **no bills to increase state excise taxes passed in 2023.**
- We continued to take the lead in **defeating expanded producer responsibility (EPR) programs** that would negatively impact California wineries. As a result, **no EPR programs passed** in more than a dozen states where pursued. Likewise, no state passed a **bottle deposit law expansion** in 2023.
- **Wine Institute amendments to the California Bottle Bill** ensured that wines filled and labeled before Jan. 1, 2024, were **permanently exempted from the California Redemption Value (CRV) labeling requirements.**
- Wine Institute led the opposition and defeated the **Amazon-sponsored California Senate Bill (SB) 430, which would have created an unprecedented tied house exception** allowing Amazon to solicit advertising from alcohol producers for all its streaming platforms, fostering

a pay-to-play environment. This would have dramatically reduced access, weakened competition and given large retailers additional leverage over wineries.

- We worked to secure **an additional \$5 million** from the U.S. Department of Agriculture for **continued smoke exposure research.** This brings the total funding to \$15 million since the project's inception.
- Wine Institute continued **to work for additional funding to reduce the risk of catastrophic wildfires.** With our support, California **invested \$690 million in 2023** to increase forest health projects, strengthen community protections and improve forest management.

Advocating for California Wine at the State, Federal and International Levels

- Working closely with Congressional Wine Caucus Chairs Mike Thompson (CA-4) and Dan Newhouse (WA-4), Wine Institute **secured 64 signatures on a Congressional letter to U.S. Trade Representative Katherine Tai** requesting more attention on efforts **to reduce tariffs and trade barriers** on U.S. wine exports.
- **California vintners traveled to Washington, D.C.** for Wine Institute's 38th Washington Meeting. The delegation **met with legislators and regulators to discuss issues critical to a vibrant wine sector** including the Farm Bill, federal funding for smoke exposure research and specialty crop programs and needed reforms to the crop insurance program. Ensuring adequate funding for our primary regulator, the Alcohol and Tobacco Tax and Trade Bureau (TTB), was also a top priority.
- Wine Institute President and CEO Robert P. Koch was **appointed to the Agricultural Policy Advisory Committee that advises U.S. Department of Agriculture Secretary Tom Vilsack and Trade Representative Tai** on a wide range of issues related to agricultural trade, including implementation and enforcement of existing U.S. trade agreements and negotiating objectives for new trade pacts. In addition, Vice President of Federal and International Public Policy Charles Jefferson was **appointed to the Agricultural Technical Advisory Committee for Trade in Processed Foods.** This committee advises and makes recommendations similarly to Secretary Vilsack and Trade Representative Tai regarding domestic and foreign matters of concern



Wine Institute staff, including Vice President of California State Relations Tim Schmelzer, pictured here, traveled around the state to help address questions on the Bottle Bill. To further assist wineries in complying with California's Bottle Bill, Wine Institute created a [comprehensive web page](#) which includes an implementation guide with resource links.



Capping off the Washington meeting, Wine Institute hosted an in-person reception with the Congressional Wine Caucus — the first in almost four years — that was attended by 350 guests. Wine Institute President and CEO Bobby Koch, Congressman John Duarte (CA-13), Wine Institute Board Chairman Randall Lange and First Vice Chairman Robin Baggett (pictured above, left to right) attended the reception at the Library of Congress.

on processed foods in connection with U.S. trade policies. As “cleared advisors,” both will advocate for the wine sector as they review and provide input on confidential trade agreement language before the government finalizes any agreements.

- To facilitate California wine exports, Wine Institute played a key role in **advancing the approval of additional winemaking additives in international standards**, coordinating with the U.S. government, FIVS and the international wine sector. A Codex-approved compromise statement **significantly expands the list of allowed wine additives** and treating materials in targeted export markets.
- Working with the Wine Institute Technical Advisory Committee, we **introduced a members-only EU Nutrition Declaration Calculator** to assist with generating EU-compliant nutrition information. To keep members informed about EU **nutrition and ingredient labeling requirements** and compliance, Wine Institute **held two well-attended webinars** and developed an updated FAQ document. We **worked closely with U.S. government trade officials to minimize any trade disruptions** following the implementation of the new EU labeling rules.
- Wine Institute **played an active role in the FIVS annual meeting in London and led the U.S. delegation to the World Wine Trade Group (WWTG) annual meeting in Tbilisi, Georgia.**

- **We played a key role in stopping California SB 277, which would have allowed the sale of spirits-based ready-to-drink (RTD) beverages in stores** licensed only to sell beer and wine that would have resulted in wine losing shelf space in these stores. Also, **no state decreased the tax rate for spirits-based RTDs.**
- **Legislation supported by Wine Institute eliminated the separate definition of wine for sales in Tennessee grocery stores** and clarified that neither wine nor beer can have spirits added and retain their classification as wine or beer. **Under the new definition, wine coolers, flavored wines and other non-standard wines may now be sold in grocery stores.**
- Wine Institute’s advocacy efforts helped ensure that **no states succeeded in passing new monopoly protection (franchise) laws.**
- In Oklahoma, **we were successful in modifying penalty provisions in S 796, related to DTC shipping.** This includes altering provisions to include “knowingly” committing the violation and having the bill amended to remove the most problematic reporting requirements for the carriers.
- In response to an opinion request by Wine Institute, **New Jersey ruled that wine bottles are not included in its Post-Consumer Recycled Content program.** This is a huge victory for all wineries that sell in the state. Only wine coolers (as defined by the state as less than 7% alcohol with added flavoring) remain in the new program.



Wine Institute unites the collective strength of our members to ensure the best possible environment for responsibly producing, promoting and enjoying wine. We go where our members can’t — namely, all 50 states, Washington, D.C. and the international arena.

Defining and Telling the Story of Sustainability Leadership

- The California Sustainable Winegrowing Alliance (CSWA) launched a [newly designed website](#), which offers growers and vintners expanded resources and many other tools to support the adoption of sustainable practices.
- The team worked with the joint committee of vintners and growers to **update the California Code of Sustainable Winegrowing**, enabling Certified California Sustainable Winegrowing to achieve Gold Level equivalency to the international FSA-SAI sustainability standard.
- CSWA began implementing a **\$466,000, 2.5-year grant** from the Specialty Crop Block Grant program to focus on climate action agriculture.



During 2023, CSWA released results in its [Certification Report and Appendix](#), detailing major accomplishments of the Certified California Sustainable Winegrowing (CCSW) program as well as certified vineyards and wineries. The program continues to grow with 16.6 million cases bearing the CCSW logo, 38% of California winegrape acres certified and 80% of California wine made by certified wineries.



Wine Institute's Vice President of Environmental Affairs and California Sustainable Winegrowing Program Executive Director Allison Jordan (center) presented Treasury Americas Senior Vice President of Supply Rachel Ashley and Treasury Americas President Ben Dollard with a Green Medal award. Cakebread Cellars, Niner Wine Estates and Tablas Creek Vineyard also received 2023 awards for their advanced sustainability practices and innovation based on a comprehensive judging process focused on both sustainable viticulture and winemaking.

- CSWA also secured a **\$2 million contract from the California Department of Water Resources** to provide outreach and education on dry farming to winegrape growers.
- Wine Institute **hosted wine, food and travel journalists from EU countries** for a week-long trip focused on California's leadership in sustainable winegrowing.
- The **Communicating Sustainability Webinar in April attracted more than 200 registrants**. Topics covered the market for sustainably produced wines as well as communicating sustainability and certification. In conjunction with the webinar, CSWA **released a new communications guide**.
- We **hosted a Green Medal Tasting and Discussion** featuring 2023 winners and their wines **with distinct members of the wine and travel media**. In addition to print coverage, the event garnered broadcast attention with a combined potential reach of 25 million.
- Our **12th annual Down to Earth Month, highlighting sustainable leadership and member activities and events across the state, received great media attention with a potential audience reach of 413 million globally**. Social and influencer amplification for the special month saw roughly **360,000 views and 17,500 engagements**.

Innovating to Promote and Market California Wines Around the World

- Wine Institute's second annual **Global Buyers Marketplace** in Napa Valley attracted elite buyers from **more than 30 countries** and introduced over 200 California vintners to new markets. This solidified the event's reputation as the epicenter of international business for California wineries.
- For the first time since 2012, we **hosted a pavilion at Vinexpo in Paris**. The exhibit, visited by both U.S. Ambassador Denise Bauer and U.S. Department of Agriculture Undersecretary Jennifer Moffit, showcased more than 50 California wineries.
- At **ProWein** in Germany, Wine Institute's California Pavilion and Sustainable California exhibit **showcased more than 80 California wineries and over 40 sustainable wines**, highlighting the state's commitment to climate-smart winemaking and viticulture practices.
- Wine Institute **hosted the first trade events since the pandemic in Japan and Korea**, which drew **record-breaking attendance**. More than 30 vintners traveled from California to participate.
- Capstone California, a **structured Golden State wine learning experience and certification program** for



Global Buyers Marketplace featured an innovative conference program that highlighted our strategic objective to boost global recognition of California wines while strengthening our commitment to exports. Attendees represented organizations with more than \$10 billion in yearly wine sales.

consumers and professionals globally has now grown to **more than 9,500 participants in nearly 70 countries**. In 2023, we hosted 150 Capstone seminars and tastings featuring 130 California wines.

- Over the course of the year, Wine Institute **engaged in the international arena with 415 programs in 36 countries, reaching more than 75,000** members of the trade and media outside of the U.S.



Our California Capstone Immersion Tour hosted 21 educators from leading wine schools in 12 major international markets. Over 6 days, 160 Export Program members poured nearly 900 wines and participated in educational masterclasses for participants.

Keeping Members Informed and Touting California Wines

- Wine Institute kept members informed on key matters and opportunities, issuing more than 50 News Alert and News Brief emails, while responding to more than 700 member inquiries. We also worked closely with media, proactively and reactively responding to more than 100 media inquiries.
- In partnership with the California Association of Winegrape Growers (CAWG), we hosted a **Regional Association Leadership Forum**. It provided a great opportunity for staff and volunteer leaders from regional grower and winery groups to delve into issues affecting our industry.
- Wine Institute's annual **California Wine Month** in September was a success — providing a great opportunity to educate consumers, influencers and media. It generated **broadcast and radio/podcast segments across California and the U.S. with a potential audience reach of more than 276 million**. Visibility was provided to more than 70 different member activities in wine regions across the state. A California state legislative resolution officially declared September [California Wine Month](#).



Speakers during the Regional Association Leadership Forum, held in Sacramento, included Congressman Doug LaMalfa (CA-1) (pictured above), CDFA Undersecretary Christy Birdsong and Visit California Marketing Vice President Lynn Carpenter.

- Our [2023 Harvest Report](#) received great attention, largely due to the harvest results. **Many members predict that this vintage will be one of the finest in years**, producing wines with beautiful flavors, vibrant acidity and remarkable balance. In addition to the coverage of a preview news release and the report's accompanying release, we secured additional radio and print attention for a potential audience reach of more than 68 million.



During the first half of 2023, Rick Tigner (pictured above), president and CEO of Jackson Family Wines in Santa Rosa, led Wine Institute's board of directors. In June, he handed the gavel over to Randall Lange, co-founder of LangeTwins Family Winery and Vineyards in Lodi. All Wine Institute members are invited to board meetings, which were held in Sacramento, Santa Rosa and Pebble Beach last year.



We were able to leverage broadcast opportunities throughout the year, featuring member wines and appearances at member wineries. Event news hooks — such as the California-hosted Super Bowl, Valentine's Day, July 4 and December holidays — also provided opportunities for media attention geared directly to consumers.

By the Numbers

Wine Institute is the only organization advocating for California wine at the state, federal and international levels, positively affecting the wine community throughout 2023, as well as building on previous years' work.



\$450M

Total saved by California wineries in federal excise tax savings to date due to the permanent enactment of the Craft Beverage Modernization Act



\$4.3B

Federal funding secured for wildfire suppression



\$15M

Secured to date for winegrape smoke exposure research, including \$5 million from USDA in 2023



47

Number of states now open for direct-to-consumer shipping, representing 97% of the U.S. market



\$4.2B

Direct-to-consumer sales by California wineries



Zero

States that passed excise tax increases or new franchise laws



Zero

States that succeeded in passing new monopoly protection (franchise) laws



1,000+

Wine Institute members, with the majority small and family-owned wineries



85%

California wine production from Wine Institute members



80%

California wine produced by Certified California Sustainable wineries



95+%

U.S. wine exported from California



\$170.5B

U.S. economic activity generated annually by California wine



1.1M

Jobs across the nation supported by the California wine community



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