

Kansas Viticulture Farm Winery Association

Mr. Chairman and Members of the Committee:

The members of KVFWA would like to voice their opposition to proposed legislation from "Uncorked". Our current membership consists of Eight farm wineries and some fifteen vineyards that aspire to become farm wineries. The Farm Winery industry in Kansas is growing rapidly and must be cultivated with care in regards to the outlets for our products.

Our position as farm wineries currently provides us with the privilege of direct wine sales to liquor stores. We are able to develop personal relationships with these stores and their staff, and negotiate reasonable prices for our products. Large grocery and so-called "mega" stores would undoubtedly require from us a much more severe discount on our products. These price cuts would significantly impact our return on our products and, ultimately, on our ability to survive as a small producer in this market. They would also require us to provide a supply quantity or meet sales requirements that many of us small producers could not achieve to remain on their shelf or else be discontinued permanently. Many of us have worked for years to build and maintain the relationships we have with the local store owners. The fact of the matter concerning small businesses such as ours in relation to major chains is that the large buyers that oversee the purchasing do not have the time of day for small brands with low volume. We appreciate the changes from past bills but still believe this is not best for Kansas.

This situation would undermine locally owned retail liquor store pricing as well, resulting in reduced sales and the ability to maintain current staffing needs. The ability of these large entities to lower pricing based on their sheer volume and financial backing will supersede the ability of almost any standalone liquor retailer. A good majority of the sales volume passing through current license holders will be diminished forcing them to reduce work force. There will be empty store fronts, lost revenue for landlords, lost revenue from both liquor enforcement tax and income tax from employees. Farm Wineries will lose the ability to be competitive in the marketplace, Kansas will lose growth in a budding industry.

Thank you for considering our position as part of both the Kansas agricultural and business community.

Respectfully submitted,

Kansas Viticulture & Farm Winery Association

George Hoff

President

Stone Pillar Vineyard & Winery

Olathe, KS 66061