Governor’s Message

New York State is home to the world’s finest craft beverage producers and an industry which has grown at an astounding rate over the last three years. Today, with more than 600 wineries, breweries, distilleries and cideries across the State, these producers play a major role in our State’s economy, generating high quality jobs, and strengthening our already vibrant agriculture and tourism industries.

New York’s craft beverage and agriculture industries have both greatly benefited from the groundbreaking initiatives crafted at the State’s first-ever Wine, Beer and Spirits Summit in 2012, including a new marketing campaign to promote the industry and a series of regulatory reforms that significantly reduce business costs for beverage producers.

Our new farm brewery and cidery licensing requirements, developed with stakeholder and industry input, incentivize the use of New York grown agriculture products. The farm brewery license has reignited statewide production of hops and barley, and our farm distillers have renewed interest in production of small grains. The Taste NY program was launched last year to make New York produced food and beverages readily available and recognizable nationwide; New York made products can now be found in four major New York airports, along the New York State thruway, and soon in Grand Central Terminal in New York City.

In addition, dozens of newly licensed craft beverage producers have emerged all across the State as a result of our efforts to simplify licensing and retailing regulations. Craft beverage applications are being fast-tracked and producers may now open up new branch stores statewide, conduct product tastings and sell their products at the New York State Fair. Our commitment to the craft beverage industry in this State is embodied in our new farm cidery license, which resulted in the State’s first-ever licensed farm cidery and the promise of many more.

This year’s summit is intended to build and expand upon our efforts, and discover new ways the State can help our craft beverage business continue to stimulate New York’s economy. Working together, with all of you, we will look for new ways to make it simpler for craft beverage producers to expand into new markets and reach new customers.

The craft beverage business has been a prized New York State tradition since the early 18th century and we are grateful that you have joined with other leaders here today to ensure that this tradition continues!

Sincerely,

Governor Andrew M. Cuomo
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In 2012, Governor Cuomo hosted the first Wine, Beer and Spirits Summit to further solidify the State’s position in the farm based beverages industry and promote tourism throughout the State. Since New York’s beverage leaders first came together, the industry has soared to new heights. New York State is home to more than 600 wineries, breweries, distilleries, and cideries. The State ranks third in the nation in wine and grape production, second in apple production, has the second most distilleries, and is home to three of the 20 top-producing breweries in the United States.

Over the past three years under Governor Cuomo’s leadership, the number of farm wineries in New York has increased by 46 percent, from 195 in 2010 to 285 today. The number of microbreweries has increased by 133 percent, from 40 in 2010 to 93 today, and the new farm brewery law, effective January 2013, already has enabled 32 licensees. Hop production has also dramatically increased. New York farmers have added over 200 acres of hops production since 2010. The number of New York cideries in production has also seen growth. Today, there are 24 hard cider producers across the State, including the State’s first farm cidery, which opened its doors this February. Additionally, New York has added 58 distilling licensees since 2010, a 200 percent increase.

It is safe to say the market for New York State’s beverages is thriving! And this trend is expected to continue as Governor Cuomo’s focus on craft beverage producers and the farmers that support them drives the industry forward.
NEW YORK BY THE NUMBERS...

- over 600 beer, wine, spirit, and cider establishments
- $27 billion dollars economic impact
- 32 farm breweries licenses issued since the license became available in January 2013
- 3rd New York’s rank in national wine production
- 36 new farm distilling licenses issued under the Cuomo Administration
- 8.5% industry leading limit of alcohol by volume for hard cider
NEW YORK STATE

Wineries

“The acceleration of wine industry growth did not happen by chance, but by design. Just as the ripening of grapes is accelerated by warm, sunny weather, the growth of our industry has been accelerated by a sunny business climate created by Governor Andrew Cuomo and his Administration.”

Jim Trezise, President, New York Wine & Grape Foundation

Industry Overview

New York State’s wine industry is as healthy as it has ever been in the industry’s proud 200 year history. New York State is the third largest wine producing State in the United States, housing five federally recognized wine regions, over 350 wineries, and 37,000 acres of vineyards. Today, the New York State wine and grape industry has an estimated annual economic impact of $4.8 billion dollars and is responsible for 25,000 full-time equivalent jobs.

<table>
<thead>
<tr>
<th>License Type</th>
<th>Total Number</th>
<th>Number Added During Governor Cuomo’s Administration</th>
<th>Number Added Since First Beverage Summit (October, 2012)</th>
<th>% Change During Governor Cuomo’s Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Winery</td>
<td>285</td>
<td>90</td>
<td>38</td>
<td>46%</td>
</tr>
<tr>
<td>Farm Winery Branch Office</td>
<td>53</td>
<td>24</td>
<td>9</td>
<td>83%</td>
</tr>
<tr>
<td>Winery</td>
<td>70</td>
<td>18</td>
<td>4</td>
<td>35%</td>
</tr>
<tr>
<td>Wine Total</td>
<td>408</td>
<td>132</td>
<td>51</td>
<td>48%</td>
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</table>

NOTE: Manufacturers may hold multiple licenses. SOURCE: State Liquor Authority

The New York State wine industry has seen impressive growth under Governor Cuomo’s leadership. Since 2011, the State Liquor Authority (SLA) has issued 109 new licenses for wine manufacturing and 24 new licenses for branch offices and satellite locations. This figure reflects a 46 percent increase in winery licenses issued under Governor Cuomo’s administration. The proud tradition of New York State wineries in combination with these newly established wineries have boosted wine production 50 percent since 1985, producing over 180 million bottles of wine in 2013.
Expanding Opportunities for Growth

The wine industry has benefited from a variety of policy initiatives introduced by Governor Cuomo. As Mr. Trezise points out, a supportive public policy framework enhanced New York State’s wine industry. Under Governor Cuomo’s leadership, New York State has streamlined and simplified regulatory requirements and statutes that previously inhibited the growth of the State’s wine industry.

Governor Cuomo has also implemented new legislation expanding marketing opportunities for New York State’s farm wineries to succeed. The new laws allow farm wineries to conduct product tastings at more venues, hold outdoor events, operate custom crush facilities, and open up to five branch stores anywhere in the State. New York State’s Regional Economic Development Councils, also implemented by the Governor Cuomo, have consistently supported the State’s already robust wine trails. This is partly due to the fact that wine represents one of the State’s most successful tourism industries. Wine related tourism brings $410 million into the State each year.

DID YOU KNOW?

Brotherhood Winery in Washingtonville, NY, was established in 1839 and is the nation’s oldest winery.
NEW YORK STATE Breweries

“Governor Cuomo’s continued support of the craft brewing industry in New York State has allowed our industry to grow to levels not seen in well over 80 years. This is a unique State government both in terms of vision and policy, and we are proud to have them as partners in our success.”

Paul Leone, Executive Director of New York State Brewers Association

Industry Overview

Beer production has been a New York State tradition dating back to the early 18th century, preceding New York State’s existence. Today, the Empire State is home to over 150 acres of hops production and 1,500 acres of barley production that support more than 150 breweries. This heightened agriculture production is the result of the increased demand driven by the new wave of breweries being established across the State. Since 2011, the SLA has issued 99 new brewery licenses representing an increase of 177 percent.

<table>
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<tr>
<th>License Type</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Farm Brewery</td>
<td>32</td>
<td>32</td>
<td>32</td>
<td>Created January 2013</td>
</tr>
<tr>
<td>Micro Brewery</td>
<td>93</td>
<td>53</td>
<td>21</td>
<td>133%</td>
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<tr>
<td>Restaurant Brewer</td>
<td>26</td>
<td>16</td>
<td>10</td>
<td>160%</td>
</tr>
<tr>
<td>Beer Total*</td>
<td>151</td>
<td>101</td>
<td>63</td>
<td>180%</td>
</tr>
</tbody>
</table>

*Does not include six brewer (D 101) licenses. NOTE: Manufacturers may hold multiple licenses. SOURCE: State Liquor Authority
Expanding Opportunities for Growth

Governor Cuomo has introduced several ground-breaking reforms to help strengthen and grow New York State’s brewing industry. Recognizing the success of the State’s farm wineries, Governor Cuomo signed legislation creating a new farm brewery license. This new license allows New York State breweries to operate like the State’s farm wineries if they use primarily New York State agricultural ingredients. This innovative licensing process resulted in the State’s issuance of 32 new farm brewery licenses in just 15 months. As a result, the demand for New York State grown hops and barley has exploded. Governor Cuomo has also implemented various tax relief programs for breweries. Since 2012 all small breweries have been eligible for tax credits against personal income and business taxes for beer made in New York.

DID YOU KNOW?

On December 5, 1933, the first beer officially sold after the repeal of Prohibition was FX Matt’s Utica Club.

Saranac Brewery, Utica
We are grateful for Governor Cuomo’s support of the State’s craft distilling movement, and believe that its future looks bright indeed.

Ralph Erenzo, Master Distiller for Tuthilltown Spirits

Industry Overview

New York’s first craft distiller since prohibition opened in 2003. Since the Farm Distillery Act of 2007, New York State craft distilling has seen unprecedented growth. Today the State boasts 73 unique distilleries producing spirits from Lake Erie to the Long Island Sound. New York now has the highest concentration of distilleries of any state east of the Mississippi, and is continuing its impressive record of producing quality, local craft spirits.

<table>
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<th>% Change During Governor Cuomo’s Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm Distillery</td>
<td>47</td>
<td>37</td>
<td>19</td>
<td>370%</td>
</tr>
<tr>
<td>Class A and B Distillery</td>
<td>35</td>
<td>21</td>
<td>10</td>
<td>150%</td>
</tr>
<tr>
<td>Spirits Total*</td>
<td>82</td>
<td>58</td>
<td>29</td>
<td>200%</td>
</tr>
</tbody>
</table>

*Does not include five Class C distillery licenses. NOTE: Manufacturers may hold multiple licenses. SOURCE: State Liquor Authority
Expanding Opportunities for Growth

In 2013, New York State’s distilleries cashed in on promises made during the first Beer, Wine, and Spirits Summit in 2012. In June 2013, Governor Cuomo signed legislation exempting craft distillers from costly brand labeling fees. The new exemption allows distillers to produce and sell small batches of alcohol without paying labeling fees. This encourages craft distillers to diversify their products, explore new ingredients, and test new products in the marketplace without the overhead cost of labeling fees. New York’s craft distilleries were also on display as never before in 2013. On May 17th, Governor Cuomo’s Taste NY initiative sponsored 24 New York State spirit producers to participate in the prestigious Manhattan Cocktail Classic. Under the Taste NY banner, New York’s craft distilleries were featured on the same stage as their brand name competitors for the first time.

DID YOU KNOW?

About half of New York’s 62 counties are home to at least one craft distillery.
Cideries

“We are thrilled to see the Governor’s support for farm-based hard cider production in New York State. Cider is an agricultural product, and expansion of this industry will increase the visibility, profile, and profitability of New York orchards… The ongoing support from New York State for craft cider production will allow the number of hard cider producers to grow, thereby creating new opportunities for apple production, and ultimately establishing cider as the signature beverage of New York State.’’

Sara Grady, Vice President of Programming at Glynwood, an agricultural non-profit in the Hudson Valley

Industry Overview

Over the past two years, national sales of hard cider have skyrocketed. As the nation’s second largest producer of apples, New York State is leading this trend with several progressive initiatives aimed specifically at increasing the production of hard cider across the State. In October 2013 Governor Cuomo signed legislation raising the legal alcohol percent by volume of hard cider from 7 percent to 8.5 percent. With this progressive step New York’s hard cider manufacturers now enjoy the freedom to create ciders that are more tart and dry, capturing the true hard cider taste of Europe and early America.
Expanding Opportunities for Growth

Governor Cuomo has also signed legislation creating the farm cidery license. In accord with the other farm beverage licenses, the farm cidery license is available to only those hard cider manufacturers whose product is made exclusively from New York State apples and other pomme fruits. Farm cideries are also exempt from sales tax information filing requirements, and are eligible to sell other New York State labeled beverages and specialty food products. Farm cideries, much like farm wineries, will become destination locations that promote tourism within their communities, and a source of consistent demand for New York agriculture.

On February 14, 2014, Nine Pin Cider Works became the State’s first farm cidery, receiving their license just 22 days after submitting their application. Including Nine Pin, New York has 24 businesses licensed to manufacture hard cider, as well as 311 farm wineries and breweries that are also permitted to manufacture cider.

DID YOU KNOW?

Hard cider should be served at 60 degrees Fahrenheit in order to get the best flavor possible.
It is an exciting time to be a New York farmer.

Dean Norton, President of New York Farm Bureau

Hops, Malting Barley, Grapes, and Apples

Industry Overview

As New York’s beverage industry continues to grow, New York agriculture grows with it. New York State’s beverage industry relies a great deal on a healthy agriculture sector. Farm wineries, breweries, distilleries, and cideries are growing at record rates across the State. This growth in production has dramatically increased the demand for New York State agricultural products. This is fantastic news for the New York State agriculture sector, especially growers of hops, barley, grapes, and apples!

Hops

In the late 1800s, New York State produced 90 percent of the world’s hops. However, in 2010 hops production in New York State was limited to just 15 acres of land. In order to revitalize New York State’s hops production sector, Governor Cuomo implemented several key initiatives, including a new farm brewery license. The Governor’s initiatives, in conjunction with the growth of the craft beer industry, has Cornell University predicting that hops production in New York State will increase 225 acres by the end of 2014. However, hops production in New York State must continue to grow in order to meet the heightened demand. By 2015, it is estimated that the demand for New York State hops will exceed 500 acres. To ensure New York is able to meet this rising demand, Governor Cuomo has allocated $40,000 for the New York State Agriculture Experiment Station in Geneva to establish an acre of disease-free certified hop varieties. This research plot will help to increase the resiliency of New York hops.

Did You Know?

In the late 1800s, 90 percent of the world’s hops were grown in New York State.
Malting Barley

New York State barley has also benefited from the growth in New York State’s beverage industry. Since 2012, malting barley acreage across the State has tripled, from 500 acres to 1,500 acres. Yet, this acreage still accounts for less than 1% of all New York State grain. The new farm beverage laws have aided the expansion of malting barley production, but steps must be taken to continue this growth. The expansion of these breweries and distilleries has spurred demand for New York State barley and it is crucial to the New York State beverage industry that malting barley production continues to grow.

Concurrent with the growth of malting barley production, New York State cannot overlook the importance of malting houses. Malting houses germinate and dry the barley before it can be used to create beer and spirits. Before 2012, New York State did not have any operational malting houses. This forced barley producers to ship their barley to out-of-state malting houses. Today, however, the State is home to six malting houses, including Farmhouse Malt which was awarded $117,000 through the Finger Lakes Regional Economic Development Council.

DID YOU KNOW?

With the exception of crops grown for seed, malting barley is the only crop that has to be delivered to the customer in a living state.
Grapes

New York’s unique geography and fertile soil create the ideal climate for growing world-class grapes! Every year New York grapes produce wines that shine on the national and international stage, competing with the best the world has to offer. New York’s 37,000 acres of vineyards and 169,000 tons of grape harvest rank behind only California, Washington, and Oregon in terms of total grape production.

One reason grapes continue to thrive in New York is the State’s proximity to large bodies of water. Lake Erie, Lake Ontario, the Long Island Sound, the Finger Lakes, Lake Champlain, and the St. Lawrence River mitigate the region’s typically harsh winters, creating the mild climates in which grape vines thrive. The Finger Lakes region is a prime example of New York’s unique grape cultivating climate. The Finger Lakes region is home to 9,000 acres of vineyards and produces over 30 varieties of grapes (Cornell Viticulture Program). Today, the Finger Lakes is New York’s most mature wine region, hosting 121 wineries.

NEW YORK WINES BY THE NUMBERS

- Rank of New York State in wine production nation-wide
- Number of New York wineries
- Number of New York wineries created in the past 10 years
- Acres under vine
- Bottles produced annually
- Recognized American Viticulture Areas in New York
- Annual economic benefits of the New York wine industry to the state’s economy
- Tourist visits annually

**NEW YORK WINE REGIONS**

**DID YOU KNOW?**

New York State’s vineyards produce more than 35 different varieties of grapes.
Cider Apples

New York is the nation’s second largest producer of apples. In October 2013, Governor Cuomo recognized the need to support this industry and signed legislation dramatically altering the State’s policy regarding hard cider production. By increasing the alcohol percent by volume of hard cider to 8.5 percent and creating the farm cidery license, Governor Cuomo has opened the State’s apple orchards to new opportunities for apple production. Though many of New York’s hard cider producers currently use the sweeter dessert apples, as the industry grows, so will the demand for apples that are traditionally more bittersweet and bittersharp. These new varieties can diversify New York’s apple crops, and increase the viability of our orchards.

Value-added hard cider production also directly increases the profitability of New York’s apple orchards. Every year orchards produce apples that are slightly damaged and unlikely to sell outright. Hard cider provides a profitable avenue to add value to these apples, and increase the profitability of the orchard. New York apples have also found a home in our State’s craft distilleries. Harvest Spirits in Valatie, NY produces several apple flavored spirits including an apple vodka and an “Apple Jack” bourbon whiskey. Harvest Spirits is just one example of the many craft distilleries that have discovered the powerful taste of New York apples.

Did You Know?

Hard cider apples often taste too bitter, too sweet, or too acidic to eat, and are only used for hard cider production.
Accomplishments

Since the Wine, Beer and Spirits Summit in 2012, the Governor’s promotional efforts – including Taste NY, special wine events and ad campaigns – have put New York’s beverages on a national and international stage. Never before has this sector of the economy grown as much – or as quickly – as it has in the past few years. In fact, the number of New York’s farm-based beverage licenses for distilleries, wineries, breweries and cideries has risen 72 percent since 2011. Existing farm-based beverage businesses have also grown as a result of policies and initiatives put into place by Governor Cuomo since the last summit.

Marketing and Promotional Support

Since its launch, Taste NY has helped to raise the profile of home-grown businesses and spread the word that New York’s beer, wine, cider and spirits are truly among the best in the world.

Taste NY stores and/or displays have already opened at four major airports throughout the State (JFK, LaGuardia, MacArthur and Buffalo-Niagara) as well as along the New York State Thruway. In addition, the Metropolitan Transportation Authority recently approved the selection of an operator to open and run the first ever Taste NY wine and food product store in Grand Central Terminal, in New York City.

One of the biggest and most successful promotional tools created as a result of the last summit is the Taste NY initiative. This is a major component of Governor Cuomo’s tourism campaign and focuses on expanding New York’s food and beverage industry by making the wide variety of foods and beverages grown and made in the State readily available and recognizable nationwide. Taste NY is marketed through a range of promotional efforts including Taste NY tents at important events, Taste NY stores in transportation hubs and a dedicated website, www.taste.ny.gov.

Since the 2012 summit, Taste NY has sponsored and participated in major industry events such as the 2014 Super Bowl festivities, Farm Aid 2013, the PGA Championship of America, the Food Network Wine and Food Festival, Octoberfest, and the International Restaurant and Food Service Show in New York City. Each event featured Taste NY tents and tables that highlighted and marketed New York State craft beverage producers.
This is just the beginning. More events are already scheduled for 2014, giving beverage producers more opportunities to showcase their great products.

**Governor’s Cup Wine Tour and Competition**

As part of the Taste NY initiative, Governor Cuomo hosted the Governor’s Cup wine tour in the Finger Lakes region. In August 2013, the tour brought together leading wine industry professionals and tourism officials to promote the State’s award-winning wines. The tour included tastings at Anthony Road Winery, Glenora Wine Cellars and Lakewood Vineyards. Guests sampled wines from the Finger Lakes area, as well as from other State wine regions including the Hudson Valley, Long Island, Niagara and Thousand Islands. Visitors were also able to see vineyards and gardens, production facilities where wine is pressed and bottled, areas where wine is stored, and learn about how grapes are grown and harvested. They also had the opportunity to purchase products from the vineyards. The annual wine competition was held August 13 and culminated with the presentation of the Governor’s Cup, a large silver chalice, recognizing the “Best of Show” or top prize from the more than 800 entries.

**Taste NY Wines Television Campaign**

In 2013, Governor Cuomo launched a new television ad campaign to promote New York State’s award-winning wines and further grow the Taste NY experience. This promotional advertising campaign delivered on another promise made at the 2012 Wine, Beer, and Spirits Summit where the Governor pledged to help grow New York’s position as a global leader in wine production. Governor Cuomo premiered the television ad at the 2013 Governor’s Cup Wine Tour and Competition awards ceremony.

The 30-second ad encouraged wine enthusiasts to buy locally produced products, and discover the vast selection of New York State wines. In addition, the ad directs viewers to the Taste NY website, where they can learn more about New York State wines, and plan their next weekend getaway to one of the State’s hundreds of wineries.

“There is no question that the PR surrounding the event had an impact on sales after the event as many people wanted to know which wines the Governor and his party tasted while visiting.”

Gene Pierce, President/CEO, Glenora Wine Cellars
Pride of New York

The Pride of New York Pledge encourages restaurant groups and chefs throughout the State to increase their use of New York State food and farm beverages by 10 percent or more. More than 100 restaurant owners and chefs have already signed the pledge, which is an important component of Governor Cuomo’s Taste NY initiative. The goal is to encourage the State’s culinary industry to increase its use of farm based food and beverages.

The Pride of New York website got a new look and updated information to help consumers connect with local food and beverage producers. The site, www.prideofny.com, now allows for searches by product, company type and geography. It also provides driving directions and maps. Within days of an announcement by the Governor encouraging people to visit the site to look for local food and beverages, visits to the website increased by 1,250 percent over the previous week.

A Business Friendly State Government

Open.NY.Gov

In May 2013, new information was added to Open.NY.Gov to help New Yorkers find wineries, breweries, distilleries and local farmers markets near their homes. This new initiative features an interactive map that provides directions to where products can be sampled and purchased at farmers markets across the State. Also, the wineries, breweries, cideries and distilleries database includes information detailing their hours of operation, location, as well as relevant contact information.

State Liquor Authority Efficiency

“We worked with the SLA throughout our planning and application process and could not be any happier with our interactions with the agency and staff. The guidance, professionalism and attention to detail each staff member gave to us was testament to the SLA’s commitment to craft distilling in New York State.”

Brian Facquet, Owner, Prohibition Distillery

Since January 2011, at the direction of Governor Cuomo, the New York SLA overhauled its licensing process, which resulted in the elimination of a backlog of hundreds of pending applications. Additionally, the average wait time between submission and approval has been reduced from an average of six months, to an average of two to three months! When Nine Pin Cider opened on February 14, 2014 it took the SLA just 22 days to approve their new license.

The SLA’s revamped approach has drastically improved the business climate for New York’s beverage industry. The SLA will continue to pursue organizational improvements by utilizing performance measures, technological innovations, business processes improvements, reassigning of functions, and tracking individual employee performance. These improvements are aimed at cutting red tape, streamlining processes, and promoting common sense practices that save time and money without sacrificing oversight.
One Stop Shop

“Governor Cuomo’s creation of a One Stop Shop is an excellent example of the great regulatory streamlining progress that has been made under his Administration.”

Julie Suarez,
Assistant Dean for Cornell University
College of Agriculture & Life Sciences

In March of 2013, Governor Cuomo announced the launch of a One Stop Shop at Empire State Development designed to provide New York’s wine, beer, spirits and cider producers with a single point of government contact for assistance regarding regulations, licensing, State incentives, and any other questions or issues facing the industry. The One Stop Shop was created as a result of suggestions made during Governor Cuomo’s Wine, Beer, and Spirits Summit held in October 2012.

So far the One Stop Shop has fielded direct requests from over 300 business owners and entrepreneurs. It works collaboratively with the SLA, Department of Tax and Finance, Department of Agriculture and Markets, and the Department of Environmental Conservation to create a comprehensive online resource containing all relevant license and regulation information. Additionally, representatives of the One Stop Shop have traveled to events across the State to answer questions, listen to industry concerns, and promote new regulatory and license changes affecting craft beverage manufacturers.

Today the One Stop Shop plays an important role in crafting new beverage manufacturing and agriculture policy, and has given a voice to the concerns of small businesses and farmers across the State.

The One Stop Shop website, www.esd.ny.gov/nysbeveragebiz.html, contains condensed policy and regulation information, licensing charts that differentiate the guidelines of each manufacturing license, a list of available agriculture and manufacturing incentives, and links to additional industry resources.
Agricultural Support

Revised Guidelines to Help Farmers

The Department of Agriculture and Markets and the SLA have worked together to clarify guidelines affecting farm distilleries, breweries and wineries. The updated guidelines outline instances where the State’s Alcoholic Beverage Control law helps to ensure that a farm’s right to produce and market their wine, beer, cider or distilled spirits is protected from local laws that may attempt to restrict these activities.

Easing of Regulatory Burden on Farm Breweries and Farm Distilleries

The Department of Agriculture and Markets eased unnecessary regulatory burdens on farm breweries and distilleries that are already licensed by the SLA. The new regulation exempts these facilities from the licensing requirements of Article 20-C of the Agriculture and Markets Law (AGM). This exemption evens the playing field among farm beverage manufacturers, as the exemption already applied to farm wineries.

New York Craft Malt

New York Craft Malt received an award of more than $117,000 through the Finger Lakes Regional Economic Development Council to create the first commercial malting facility in New York State to use locally grown “food grade” barley. When fully operational, New York Craft Malt will produce handcrafted, small batch, artisanal malts from New York grown grains for nano, craft, and microbreweries as well as the home-brewer.

Hops Considered a Field Crop

The Department of Agriculture and Markets determined that hops are considered crops, livestock or livestock products as defined in the Agriculture and Markets Law. This determination will help to qualify farmers for an agricultural assessment and provides additional Right-to-Farm protections afforded to farm operations located within county-adopted, State-certified agricultural districts.

Farm-Based Beverage Council

In November 2013, more than 30 representatives from New York State breweries, wineries, cideries and distilleries came together with various agency staff and commissioners to speak about a wide range of topics relevant to their industries. Also in attendance were professionals from malt houses, hop facilities and wine and beverage trails. The main focus was on ways to further the growth of the New York State beverage industry with an additional emphasis on how to increase consumer education, awareness and sales of craft beverages throughout the State. Significant progress was made related to tax laws and brand labeling. Other areas discussed included regulatory changes at the SLA, the farm cideries bill, hops research and expansion of malting facilities, Taste NY stores and events, restaurant and liquor store initiatives and wine and beverage trails.
Through Governor Cuomo’s Regional Economic Development Councils, and other regional economic development initiatives, New York has proved a strong partner in the growth of our craft beverage industry. The State’s support of these projects enables the industry to expand, increase marketing opportunities, and improve production. The partnerships detailed in this section are just examples of the wide scope of the State’s investments in the future of this thriving industry.

**Tug Hill Vineyards Wine Production Expansion**

In 2013, the North Country Regional Economic Development Council awarded Tug Hill Vineyards $40,000 to expand its production in Lowville. The expansion project will add 1,856 square feet of space to an existing processing building. It will allow an additional 26 tons of grapes to be processed, resulting in a 70 percent increase in wine production. Since 2010, Tug Hill Vineyards has tripled its production to 36,000 bottles, the maximum capacity of the existing tanks. The expansion project will help the vineyard to purchase new tanks that will more efficiently leverage their grape harvest, and capitalize on increased demand for their product. With the REDC funding, Tug Hill Vineyards is expected to increase their output to over 60,000 bottles of wine per year.

**Finger Lakes Beer Trail**

The Ithaca/Tompkins County Convention and Visitors Bureau received a $45,000 award to promote the many microbreweries located throughout the Southern Tier, Central New York, and Finger Lakes Regions. The inaugural Finger Lakes Beer Trail Winter Passport Program was a great success. The goal of the program was to entice tourists to explore the Finger Lakes Beer Trail during a time of the year when visitor traffic is traditionally at a lull for many of the breweries and brewpubs. The program, which ran from January 18 to February 9, 2014, entitled Passport holders to free beer tastings and/or discounted food and merchandise purchases at 28 local breweries and brewpubs throughout the greater Finger Lakes region.

A total of 794 Winter Passports were sold and another 146 complimentary Passports were distributed via regional tourism centers, on-air radio giveaways, and social media contests for a total of 940 Passports in circulation for use. The program attracted tourists from as far away as Maine, Minnesota, and Wisconsin and generated an estimated economic impact of $333,380 for the Finger Lakes region.
Chatham Brewery Expansion

In 2013, the Capital District Regional Economic Development Council awarded funds to assist Chatham Brewery to expand their production. Chatham Brewery has experienced fast growth; founded in 2007, the brewery has already received Best Craft Beer Brewery in the Hudson Valley accolades. By 2013, the Chatham Brewery was in need of a new space and larger production to keep up with demand, and New York State was there to lend a hand. Using funds from their REDC award, the brewery has expanded to a new location with significant capacity upgrades, including a new canning line which allows them to access new market opportunities.

The Helderberg Brewshed

The Carey Institute for Public Good received a $108,000 REDC award to develop the Helderberg Brewshed, a restored New World Dutch Barn, first constructed circa 1760. The new facility will be New York State’s first farm-to-glass classroom and farm brewery incubator, bringing together farmers, brewers, agritourists, and students for the first time. The project weaves together the region’s architectural history and agricultural roots with today’s emerging interest in small farm viability, creating an agritourism and educational facility that contributes to the region’s long-term economic vitality (Source: Carey Institute for Public Good).

Wine, Water, and Wonders of Upstate New York

Since 2007, Wine, Water, and Wonders (WWW), a consortium of upstate tourism entities, has leveraged the international tourism anchor that is New York City to increase awareness and tourism in Upstate New York. The goal is to get City tourists to spend more time and money exploring the wine, water, and other wonders that are unique to Upstate. Building off Governor Cuomo’s Tourism Summit and the new Market NY REDC funding, WWW of Upstate New York was awarded $200,000 in REDC funding to increase their international marketing presence. As Governor Cuomo noted at the Tourism Summit, international tourists account for 27 percent of total visitor spending. With funding assistance from New York State, WWW of Upstate will make significant inroads into the Chinese market, increase business from current target markets of France, Germany, and the United Kingdom, and develop several initiatives that can be used by other regions of the State when marketing themselves internationally.
For further information on wine, beer, spirits and cider related tourism, visit:

ilovery.com

taste.ny.gov

esd.ny.gov/nysbeveragebiz.html

prideofny.com

open.ny.gov