



WINING ABOUT

A STUDY ON VITICULTURE
AND WINE LICENSING IN
MONTANA

FINAL REPORT TO THE 69TH
MONTANA LEGISLATURE

Economic Affairs Interim Committee

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2023-2024





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This report is a summary of the work of the Economic Affairs Interim

Committee, specific to the Economic Affairs Interim Committee’s 2023-2024 study as outlined in the Economic Affairs Interim Committee’s 2023-24 work plan and Senate Joint Resolution 30 (2023). Members received additional information and public testimony on the subject, and this report is an effort to highlight key information and the processes followed by the Economic Affairs Interim Committee in reaching its conclusions. To review additional information, including audio minutes, and exhibits, visit the Economic Affairs Interim Committee website: www.leg.mt.gov/eaic.

A full report, including links to the documents referenced in this print report, is available at the Economic Affairs Interim Committee website: <https://leg.mt.gov/committees/interim/eaic>.

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OVERVIEW

[Senate Joint Resolution 30](#) requested an interim study of viticulture. In a poll of lawmakers following the 2023 Legislative Session, the SJ 30 study ranked #6 out of the 6 study resolutions that were passed by the Legislature. The study was assigned to the Economic Affairs Interim Committee, who opted to direct approximately 10% of their time to this topic.

SJ 30 suggested that the committee review:

- wine production, including processes of harvesting, crushing, fermentation, clarification, packaging, labeling, and storage;
- the marketing of wine, including demographics, wine tourism, and other consumer behavior;
- regulatory requirements and constraints as provided in Title 16 and by the United States Department of the Treasury; and
- additional licensing opportunities for wine production, manufacturing, and sales.

After reviewing a background paper on viticulture in Montana and hearing stakeholder comment, the committee chose to focus its time on wine production and potential additional licensing opportunities for wineries.

STUDY PROCESS

In the course of the SJ 30 study, the committee received background materials produced by the wine industry associations as well as several letters of recommendation from the industry to consider legislation to expand licensing for the industry. Copies of all the background materials and public comment can be found on the [committee's study page](#) on the EAIC website. The committee received staff briefings during the course of the interim on their chosen topics and heard from stakeholders and other invited panelists during the September, November, and March meetings before wrapping up the study at the May 2024 meeting. Staff briefings and handouts included:

[Viticulture in Montana – September 2023](#)

[Wine Facts – November 2023](#)

[Definition of “Montana Wine” – March 2024](#)

[SJ30: Definition of Montana Wine Legislation Analysis – May 2024](#)

At the conclusion of the May 2024 meeting, after a thorough discussion of the topic and review of possible legislation, the committee chose to conclude the study without a recommendation of a committee bill.

VITICULTURE IN MONTANA

Viticulture is the study and practice of cultivating grapevines, usually with the overall goal of producing fruit that is suitable for some specific end purpose. When the grapes are being used specifically for wine production, the study of grapes can also be called **viniculture**.

Wine is most often produced with grapes, but can also be made using other fruits, such as plums or cherries. Many wines include a variety of fruits and other notes like chocolate or spice to enhance the flavor. Mead, which is made with honey, and cider, also fall under the definition of wine in the Montana Code Annotated (MCA). Each alcoholic beverage differs with respect to the range of alcohol by volume (ABV).

Mead: 3.5-20% ABV
Cider: 0.5-8.5% ABV
Wine: 0.5-24%ABV
Table Wine: 0.5-16% ABV

LICENSING

Wineries are licensed through the Montana Department of Revenue under a domestic winery license (see [16-4-107, MCA](#)), and under that license, can manufacture, sell, and deliver wine from the licensed premises to any table wine distributor, retail licensee, or the public. Additionally, licensees may:

- Provide samples of wine produced in a sample room, on the located premises. The samples may be provided with or without charge, may be served between 8:00 a.m. and 2:00 a.m. on the licensed premises, and there are no restrictions on the number of samples a licensee may provide per individual customer during a business day.
- Offer wine in original packaging, prepared servings, or growlers for curbside pickup.
- Receive up to 12 special permits during a calendar year to provide wine that was fermented or blended at the licensed premises for off-premises consumption if sold in its original packaging.

As of September 2023, there were 30 domestic winery licenses issued across the state. Appendix B provides a map and list of Montana vineyards and wineries.

CURRENT VITICULTURE RESEARCH

During the November 2023 EAIC meeting, the committee heard a presentation by Dr. Zach Miller from the Montana State University – Western Agricultural Research Center. Dr. Miller and his team have been conducting research to support Montana viticulture for several years and have received funding through the USDA for the research. The following are links to the extensive research performed on the subject by the Western Agricultural Research Center:

[Cold Hardy Wine and Table Grapes](#)

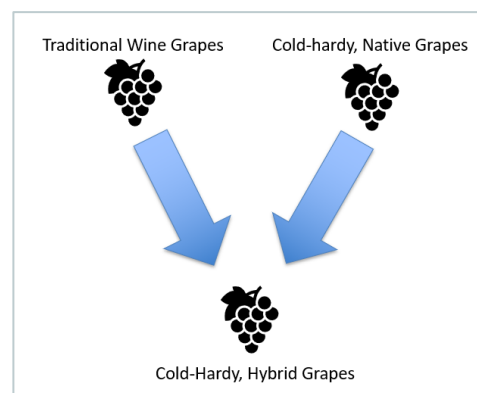
[Guide to Growing Grapes in Montana](#)

[Establishing a New Vineyard](#)

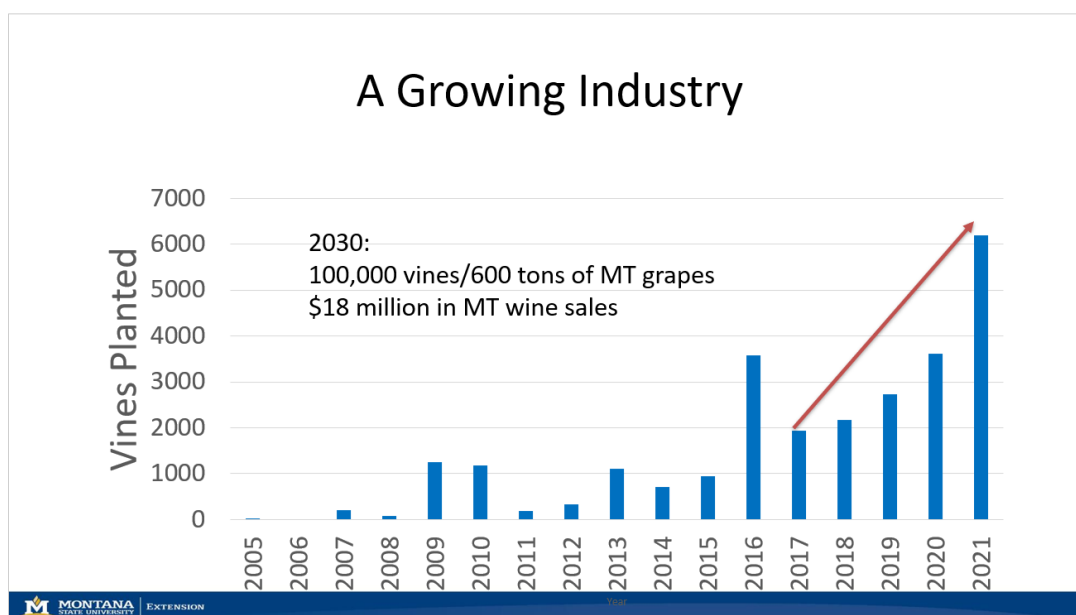
[Managing Your Existing Vineyard](#)

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The committee learned a brief history of cold-hardy grapes, which are the type of wine grapes that can survive Montana's climate. Cold-hardy grapes are not the typical varieties associated with wine – like cabernet or chardonnay – but are relatively new and have been developed by researchers in northern states like Minnesota. When cold-hardy native grapes are crossed with traditional grapes, the result is a cold-hardy hybrid grape that is tolerant in harsher climates like Montana, and because of the ability to cross varieties, new varieties are coming out every year.



The committee also learned that vineyards are a growing industry in Montana, and based on the research done by Dr. Miller's team, by 2030, there will be an estimated 100,000 vines, or 600 tons of grapes produced in Montana, resulting in roughly \$18 million in Montana wine sales:



VITICULTURE AS VALUE-ADDED AGRICULTURE

Although there is ripe opportunity for marketing of Montana wine, with 8-12 million tourists visiting the state per year, spending between \$3-4 billion, the committee learned there are high start-up costs and slow returns on investment for vineyards and wineries, presenting challenges for growth in the industry. To learn more about these challenges and opportunities, the committee invited presenters to the March 2024 meeting for education on financing, workers compensation, insurance, and marketing opportunities.

The committee heard from the Board of Investments about two programs available to the industry for financing opportunities for vineyards and wineries: the [Commercial Loan Program](#) and the [Value-Added Loan Program](#). Additionally, the Department of Agriculture presented briefly about the [Rural Assistance Loan Program](#).

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Regarding [workers classification codes](#), the Montana State Fund gave a [presentation](#) on how businesses are classified, how it differs by state, and what steps the wine industry could take in order to seek a more affordable classification.

The committee invited the United States Department of Agriculture – Risk Management Agency (RMA) to [present](#) on crop insurance in general and how the RMA develops, approves, administers, and supports crop insurance. The committee learned that grapes are not insurable in Montana without a written agreement, and also learned about the provisions involved in obtaining a written agreement, as well as other programs available through the RMA, including [whole farm revenue protection](#), [micro farm policies](#), and [tree assistance](#) programs.

Finally, regarding existing marketing strategies for vineyards and wineries, the Department of Commerce attended the March 2024 meeting and presented on the [Made in Montana](#) and [Grown in Montana](#) programs. These free [programs](#) assist Montana businesses in developing and marketing products both in and out of the state. The Department of Commerce informed the committee that [wineries](#) have already taken advantage of the programs, some with [agritourism](#) options included, and provided a [document](#) with more information on viticulture support opportunities and resources through the department.

APPENDIX A: ECONOMIC AFFAIRS INTERIM COMMITTEE MEMBERS

Before the close of each legislative session, House and Senate leadership appoint lawmakers to interim committees. The members of the Economic Affairs Interim Committee, like most other interim committees, serve one 20-month term. Members who are reelected to the Legislature, subject to overall term limits and if appointed, may serve again on an interim committee. This information is included in order to comply with 2-15-155, MCA.

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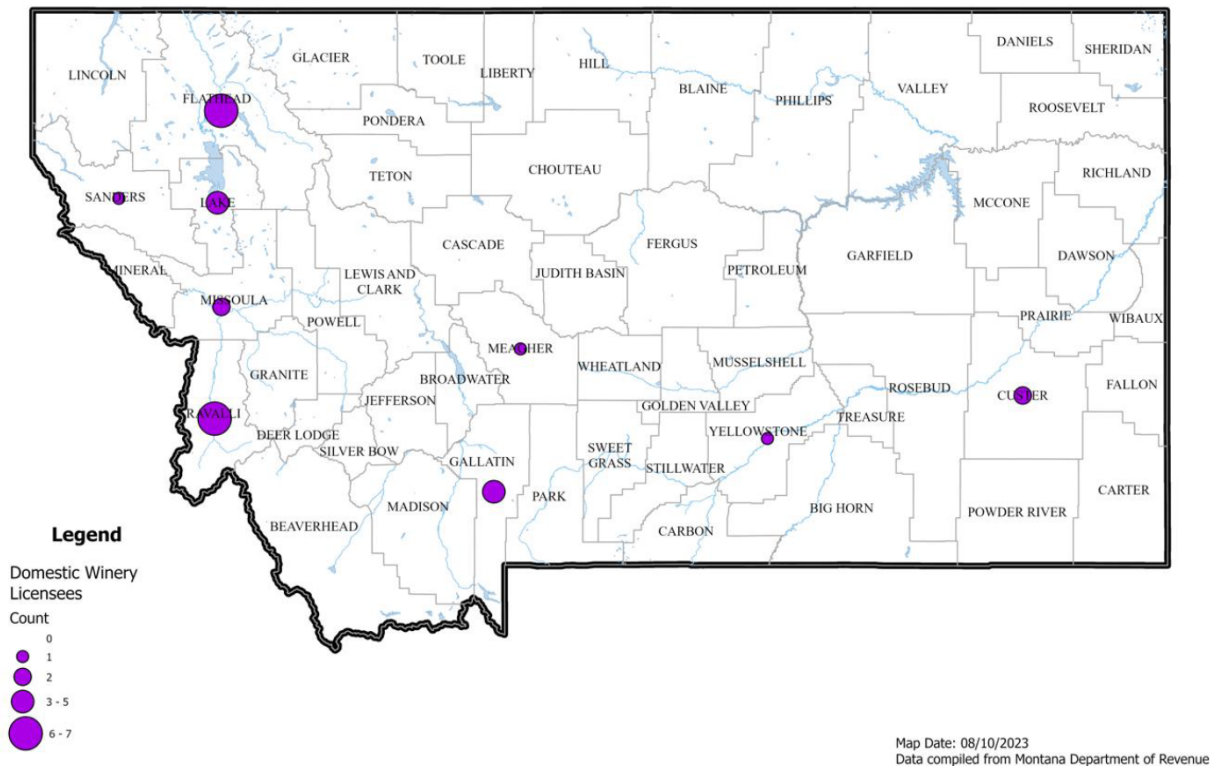
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Economic Affairs Interim Committee Staff

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APPENDIX B: MONTANA LICENSED WINERY LOCATIONS

Montana vineyards and wineries are found mostly in the mountainous regions of the state, in the Bitterroot Valley, Flathead Valley, and along the Yellowstone River.



BIGFORK

Bowman Orchards

BILLINGS

Last Chance Cider Mill

Yellowstone Cellars & Winery

BOZEMAN

Blend a Bozeman Winery

Lockhorn Hard Ciders

Mavens Market

Valhalla Meadery

Wallace Beverage Works

COLUMBIA FALLS

White Raven Winery

CONNER

Montana Ciderworks

CORVALLIS

Willow Mountain Winery

DAYTON

Mission Mountain Winery

DIXON

Watchdog Winery LLC

HAMILTON

Back Road Cider

Blodgett Canyon Cellars LLC

Shed Horn

KALISPELL

Big Mountain Ciderworks

Glacier Sun Winery

Montavino Winery

Tailing Loop Winery

Waters Edge Winery & Bistro Kalispell

MILES CITY

Tongue River Vineyard & Winery LLC

MISSOULA

Ten Spoon Vineyard

Western Cider Company

POLSON

D. Berardinis Winery

Flathead Lake Winery Inc

Grinde Bay Winery

VICTOR

Hidden Legend Winery

WHITE SULPHUR SPRINGS

Montana Meadworks

WHITEFISH

Unleashed: A Winery