

Good morning! Thank you for asking me to speak here today. I would like to thank you for taking the time to come all the way up here to listen to our thoughts on the upcoming Farm Bill.

My name is Scott Osborn and I own Fox Run Vineyards which is a medium sized winery in the Finger Lakes of New York. I have 50 acres of vinifera grapes which are the classic European varieties which I can grow because of the maritime influence of the Large and deep Finger Lakes. I am the current president of the New York Wine Industry Association, past president of the Finger Lakes Wine Alliance, Past President of the Seneca Lake Winery Association and was presented with the Industry Award from the New York Wine and Grape Foundation for my contributions to the New York Wine Industry. I am also a member of Wine America and the New York Farm Bureau.

The 2008 Farm Bill was historic in that for the first time ever “specialty crops” were officially recognized and supported in various ways.

Grapes are a specialty crop yet are the 6<sup>th</sup> largest dollar volume crop produced in the US. In New York alone grapes, grape juice, and wine generates more than \$3.76 billion in economic benefits to the State of New York, and the national industry generates more than \$162 billion for the American economy.

For the new farm bill my main concerns are Crop Insurance, Research, and Market Access programs.

Crop insurance for grape growers is a big issue here on the East Coast. Although it has improved significantly here in New York over the last 5 years there are still a number of problems which need to be addressed. We are asking that you continue the premium subsidy to continue to get more buy in by growers. If it costs too much no one will participate.

It would be nice if the harvest deduction (\$30) was removed. Currently grape growers are getting hit twice with this cost once when it is subtracted from the indemnity they get and then again by the adjuster.

The price per ton we are paid on a claim should be based on a 5 year average on either the contracted price or a regional average to reflect real time market value as opposed to the current 10 year average. I also think that RMA and USDA need to educate their employees in other states, where there is an emerging grape and wine industry, better so they can understand the grape industry so they can be of help rather than an obstacle.

We could use insurance on our new plantings. We are a permanent crop. Our installation costs are extreme. For example it costs approximately \$18,000 per acre to plant an acre of grapes. It is around 4 years before you get your first harvest. We have to farm it all this time which runs 4,000 plus an acre each year to farm. So the investment over 4 years is \$30,000. If you add in that we may be removing an under performing variety and replanting for a more profitable variety you are looking at easily a \$50,000 investment per acre. If there is an environmental event which significantly damages or destroys the

new vines we have no way of recouping our investment. So some form of insurance would be a big help.

Also move the closing date for MPCCI (multiple peril crop insurance) policies to Dec 1. The current date of Nov 20<sup>th</sup> is very close to the end of grape harvest and in some cases people are still harvesting. Having an extra 10 days or so would be helpful by allowing the grower to make an intelligent decision rather than an impulse one.

The specialty crop title of the farm bill was an important addition to the last bill and I hope this remains. The North East is mostly made up of specialty crop producers and this recognition is helpful to the success of farming in our areas. The Specialty Crops research initiative, the Agricultural Research Service, IPM programs, and Block Grants are all very important for grapes and other fruit and vegetable crops. A number of Northern University's through their grape breeding programs have been able to develop grape varieties which can withstand subzero temperatures that have allowed areas in the North East to develop a grape and wine industry that didn't exist 5 years ago. So the more funding towards research gives us more opportunities to develop our industry providing more jobs and making our businesses more profitable and more competitive.

The Farm Bill should continue to include export assistance programs, such as the Market Access Program (MAP), which allow farmers to be competitive in a global market. Both the New York Wine and Grape Foundation and Welch's grape juice have received MAP funding in recent years and this allows our wines and Juice products from New York to expand current markets and explore new opportunities. Driving demand for our grape products directly helps farmers become more profitable.

In summary, the last Farm Bill was a promising start, but needs to be continued and expanded so that specialty crops can contribute even more to the American agricultural economy.

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Osborn attended the Friends World College with campuses all over the world, and studied in Kenya, India, Thailand, Japan, and England. After college, in the mid 70's, he went into the real estate development business in Lake County California where he discovered his passion for wine. His aptitude led to cellar master positions at Firestone Vineyards, Zaca Mesa, and Byron Winery.

Returning east in 1986 to make cool climate wines, Osborn knew that the Finger Lakes region was where he wanted to make his mark producing wine, eventually with his own establishment. He worked for a distributor, then became general manager of Long Island's Pindar Vineyards in 1989. After two years, he moved back to Rochester and began the search that would lead to the purchase of Fox Run, in partnership with Andy Hale, in 1993. Since then he has made his home at Fox Run's renovated century-old farmhouse.

At first, Osborn wore both hats, as General Manager and winemaker of Fox Run, but increasingly travel and speaking obligations led to the hiring of a full-time winemaker in 1995. The selection of Peter Bell as winemaker has allowed Osborn to devote more time to upgrading Fox Run's standards and practices in both the vineyard and the cellar, and to plan for Fox Run's future which he sees as intimately bound to the Finger Lakes community.

Fox Run has grown from a 25 acre vineyard producing around 1,000 cases of wine and 7,500 visitors in 1993, to a 50 acre vineyard producing 15,000 cases of wine and having over 80,000 people visit.

Osborn is a past president and active member in the Seneca Lake Winery Association. He was Chairman of the marketing Committee for 8 years.

In 1997 he was recognized by the US government through USAID to teach the emerging Hungarian wine industry and the local community leaders about Wine Tourism. These highly successful workshops focused on wine tourism and the benefits to the local economy. While there he spoke on how cooperation within the wine industry and partnerships with other local tourism associations can greatly benefit the wineries and the local economy.

He is a past President, Director, and a founding member of the Finger Lakes Wine Alliance.

He is active member of the Geneva Area Chamber of Commerce and on the board of directors, serving on numerous committees.

He is an active member of the Yates County Chamber of Commerce and member of their tourism committee.

He is a member of New York Farm Bureau and is one of the Yates County delegates to the State Convention.

He is President and founding member of the New York Wine Industry Association which was founded in 2009 to represent the Wine Industry in Albany concerning issues that will impact our wineries and vineyards in New York State.

He is an active committee member of the Camp Good Days and Special Times "Finger Lakes International Wine Competition" and the "Finger Lakes International Dinner and Fine Wine Auction" which he helped create and organize. This has become one of the largest single fundraisers for Camp Good Days and Special Times and the largest Charity wine competition in the United States.

He received the "Industry Award" from the New York Wine & Grape Foundation for his contributions to the New York Wine Industry.

He received the "Tourism Award" from Geneva Chamber of Commerce for contributions to the Finger Lakes tourism industry.

Fox Run received the Lake Friendly Farm designation from Yates County Soil and water Conservation. This award is given to farms whose farming practices do not negatively impact Seneca Lake.

In 2003 Fox Run Vineyards was named by the Geneva Chamber of Commerce as "Business of the Year".

Selected for its community involvement, leadership in the wine and grape industry, and involvement in Chamber activities, Fox Run Vineyards embodies the principles the Chamber seeks to recognize with this honor. The Business of the Year is the highest honor a business can receive locally.

In 2008 Fox Run Vineyards was named by Wine and Spirits Magazine as one of the "Top 100" wineries in the World.

Currently Osborn is President of Fox Run Vineyards.

**Committee on Agriculture  
U.S. House of Representatives  
Required Witness Disclosure Form**

House Rules\* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2009.

Name: SCOTT OSBORN

Organization you represent (if any): \_\_\_\_\_

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2009, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2009, as well as the source and the amount of each grant or contract:

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Please check here if this form is NOT applicable to you: \_\_\_\_\_ **X** \_\_\_\_\_

Signature: SCOTT OSBORN

\* Rule XI, clause 2(g)(5) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

**PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.**