

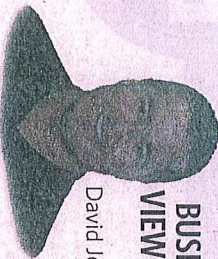
BUSINESS

Local winemakers toast law's passage

State Question 743, which passed last week, opens new doors for local winemakers and their out-of-state competitors.

Under Oklahoma law, wine producers formerly were unable to sell directly to package stores and restaurants. While this remains true for some, measure 743 now enables winemakers that produce 10,000 or fewer gallons of wine each year to act as their own distribution agents.

As with all laws, this new freedom comes with caveats. First, the winemaker must sell to every retail package store and restaurant in Oklahoma that wants to buy the wine. The wines must also be sold on the same price basis for all locations, without discrimination. In



BUSINESS VIEWPOINT

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addition, the winemaker must use its own leased or owned vehicle to distribute the wine, and deals with common or private carriers are not allowed.

For small Oklahoma operations, this increased opportunity also carries heightened responsibility. There are considerations for transportation wear and tear and time constraints on being one's own

salesman. But for businesses that were previously limited to selling their product in their vineyard tasting rooms, or at fairs and festivals, a great new platform has emerged.

Small businesses often have an abundance of passion but a scarcity of cash flow. Those who have the money to spend may likely work with a distributor, who can cover more ground and has more existing relationships in the market than the winemaker.

For those who are limited by funds, measure 743 offers the chance to at least get a foot in the door. Of course, this new operational model has also been made available to out-of-state competitors on equal footing. From a consumer standpoint,

competition is a healthy, desirable environment because it brings out the best in products and services. For businesses, those who can differentiate themselves in a more saturated field can gain an edge. The advantage Oklahoma

companies retain is that we are local, we live here, and we already have a heads-up on our market's preferences. And from a more environmental perspective, going to your local store and being able to get your locally grown wine is a benefit that extends beyond the business.

Personally, I expect to find that as the law is implemented and this new business approach gets under way, distributors will not suffer, nor will larger wine brands. Measure

743 is targeting a different segment: the start-up or family-owned operation.

And it's important to note that being a start-up or a family-owned business doesn't mean your product isn't competitive; it simply means you're on your way but have not yet obtained the exposure necessary to get to the next level. Or you are content with local prominence you have already achieved. State Question 743 is doing us all a favor; some of the country's great unsung wines may now find their way into our homes and onto our palates. That should leave a great taste in everyone's mouth.

David Johnrow is the founder of Johnrow Vineyards.