

SB0803_Croghan Testimony 02.17.2026.pdf

Uploaded by: Thomas Croghan

Position: FAV

TESTIMONY

TO: CHAIR PAMELA BEIDLE, SENATE FINANCE COMMITTEE

FROM: TOM CROGHAN
OWNER & EXECUTIVE WINEMAKER, THE VINEYARDS AT DODON

SUBJECT: SUPPORT FOR SB0803

DATE: FEBRUARY 17, 2026

Situation. SB0803 proposes to allow Maryland Class 4 wineries to sell bulk wine to Class 3 wineries, expand their ability to produce brandy from Maryland-grown products, and permit sales of alcoholic beverages made by other Maryland craft beverage producers. This memorandum highlights some of the benefits of the proposed legislation for Class 4 wine producers and the State.

Background. Growing tree and vine fruits in Maryland is highly risky. For example, in 2018, Dodon did not produce any red wine because of heavy rainfall in August and September. In 2020, the Mother's Day frost cut our white wine production by 75%. Late frosts in 2021 and 2022 decreased our white wine output by 30% and 50%, respectively. About 15% of the vines in Dodon's west vineyard did not survive these frosts, leading to long-term yield reductions that continue to this day.

As the climate warms and extreme weather events become more frequent, these challenges promise to intensify. To hedge against this risk, Dodon has deliberately planted more grape vines than it needs to maintain a profitable business, but this risk-management strategy also has downsides. Yields of red fruit over the past three vintages have been well above expectations and outstripped our ability to sell the wine in our current sales model.

The legislature is aware of Maryland's current budget and revenue challenges. Many analysts believe that the State can only thrive if it attracts working-age adults. A resilient Maryland wine industry will help achieve this goal.

Analysis. SB0803 addresses these problems in three ways.

- SB0803 would enable us to **sell bulk wine** to the State's Class 3 producers, creating an additional market for surplus product. While we could hire more staff or sell through the wholesale market (strategies we are also pursuing), these options are limited because of workforce shortages, space constraints on the farm, and tariff-induced contraction of the wine wholesale market. Moreover, if we increase our current sales staff now, we would be forced to lay off staff during an inevitable difficult vintage.
- SB0803 will allow us to distill a portion of the excess to **produce brandy**, which differs from the currently permitted pomace brandy because it would not be distilled on the "pomace" (or grape skins). Although the differences in the final product are minimal, the requirement to distill on the

grape skins means that pomace brandy can only be made within days of draining finished wine from a tank, posing a logistical challenge when winery teams are fully engaged with other harvest activities.

There are three benefits to producing brandy. First, distillation reduces the final product volume by about 85%, which means less storage space is needed. Second, brandy is more stable than wine and can be stored for longer periods. Third, it diversifies our product range, opening opportunities for new customers. These qualities give Dodon and our Class 4 winery peers significant resilience against future climate challenges.

Neither of the proposed changes will change the fundamental character of Maryland's Class 4 wineries. Indeed, for Dodon, selling bulk wine or distilling it will yield revenues well below our production costs. However, these strategies will allow us to recoup sunk costs, add new product lines, and result in a more resilient business.

Recommendations. Because SB0803 will enhance the stability and resilience of Maryland's Class 4 wineries, I urge you to support it.

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SB_803 Testimony.pdf

Uploaded by: Pamela Beidle

Position: FWA

PAMELA G. BEIDLE
Legislative District 32
Anne Arundel County

Chair, Finance Committee

Executive Nominations Committee

Joint Committee on Gaming Oversight

Joint Committee on Management
of Public Funds

Spending Affordability Committee



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 20, 2026

SB 803
Alcoholic Beverages]
Class 3 Wineries and Class 4 Limited Wineries – Bulk Wine

Good afternoon Vice Chair Hayes and Members of the Finance Committee;

Thank you for the opportunity to present SB 803, Class 3 Wineries and Class 4 Limited Wineries – Bulk Wine. Senate Bill 803 consists of minor technical fixes that enable our class 3 and class 4 wineries to be more resilient, better manage challenging growing seasons and to promote Maryland agriculture when it has a particularly strong year.

SB 803 codifies that farm wineries can sell and transport bulk wine to production wineries and that production wineries may acquire the bulk wine from them. This encourages the use of Maryland grapes, leading to the expansion of Maryland grape vintage acreage.

We are working on several amendments for the bill including the Wineries Association request to enable wineries to produce distilled brandy from their winery yields and not just pomace brandy,

I respectfully request a favorable report on SB 803 with amendments to support our Maryland wineries and vineyards.

2026-02-18 SB0803 Presentaton and notes - Far East

Uploaded by: Tien-Seng Chiu

Position: FWA

Madame Chair and members of the Committee

I am Tien-Seng Chiu, owner of Far Eastern Shore Winery, located in Easton, Maryland, where I reside.

I take a "favorable with amendments" position on this Senate Bill 0803

Maryland Class 4 Winery law permits us to make wine not only from grapes, but from other types of Maryland fruit and agricultural product, such as honey, peaches, or watermelon¹.

Brandy is a distilled spirit made from distilling wine of any sort². Wine is heated and the alcohol boiled off and condensed into spirits, and that's called brandy.

Current Maryland law states that a Class 4 Limited Winery License Holder may ... distill and bottle pomace brandy³. And defines, pomace brandy is defined as "brandy that is distilled from the pulpy residue of wine pressing, including the skins, pips, and stalks of grapes."⁴

Therefore, a winery that takes mead (a wine made from honey) or watermelon wine and distills it, is not making "pomace brandy", but "brandy".

Thank you for your time and this opportunity to show my support for this legislation.

Tien-Seng Chiu
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¹ Layton's Chance in Vienna has a delightful watermelon wine.

² Federal Gov't definition of brandy is 27 CFR, Chapter I, Subchapter A, Part 5.145, "Brandy" is spirits that are distilled from the fermented juice, mash, or wine of fruit, or from the residue thereof..."

³ Maryland Law allowing production of Pomace Brandy is found at (2-206.C.1.i.2)

⁴ Maryland Law defines Pomace Brandy in 1-101.bb