



CALIFORNIA
ASSOCIATION
of WINEGRAPE
GROWERS

CONTACT:

Karen Ross
CAWG
(800) 241-1800

-or-

Ken Freeze
Brown-Miller Communications
(925) 370-9777

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California Association of Winegrape Growers Praises Completion of the Korean Free Trade Agreement

Sacramento, CA, April 5, 2007 – Negotiators have completed the U.S.-Korea Free Trade Agreement (FTA), and perhaps no one is happier than the members of the California Association of Winegrape Growers (CAWG).

“For the first time in a long time, we negotiated an FTA with a country that has a real opportunity for U.S. wine and grape juice concentrate sales,” said Rodney Schatz, chairman of CAWG and a winegrape grower from Lockeford.

During the negotiations, the U.S. wine industry requested the reduction of a number of trade barriers that have inhibited wine and grape concentrate sales to Korea. The barriers included uneven and high tariff rates and inconsistent import requirements. “The elimination of the tariff creates exciting market prospects for California wine and concentrate,” said Schatz.

Of the more than a dozen FTAs negotiated by the United States over the past several years, the agreement with Korea is the most economically significant since agreements with Canada and Mexico. Because of substantial domestic production of wine, religious prohibitions or small populations, most of the current FTAs do not provide meaningful commercial opportunities for increasing wine sales from the United States. However, in the case of Korea, there is no significant wine production to be protected, wine consumption is increasing and, in spite of the tariffs, U.S. wine exports to Korea have been increasing. Korea has also been the third largest export market for U.S. grape juice concentrate from California’s San Joaquin Valley.

CAWG represents the growers of nearly 60 percent of the gross grape tonnage crushed for wine and concentrate in California. The statewide association provides industry leadership to advocate for public policies, research and education programs, and trade positions to enhance the business of growing California winegrapes. For more information about CAWG, visit their Web site at www.cawg.org.