

Meeting with the Senate Committee on Agriculture

Vermont Grape and Wine Council

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Legislative Chair

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PROPOSAL:

- \$1MM in funds allocated to new vine planting and trellising.
- Proposals evaluated by representatives from UVM Extension, Vermont Farm and Forest Viability Program, and Vermont Grape and Wine Council.
- Distributed over 3 years.

CRITERIA:

- Vermont Winery with an active manufacturing license.
- Experienced Vermont farmer with an interest in growing grapes for wine production.
- Experienced Vermont farmer with an interest in growing grapes to sell and a contract with a Vermont winery with active manufacturing license.

REQUIRED ELEMENTS OF APPLICATION (depending on situation)

- Site inspection
- Copy of Vermont Winery License
- Winery/vineyard business plan
- Sales Contract (if growing to sell).

RETURN ON INVESTMENT

- Cost to plant and trellis 1 acres of vines:
 - 1,000 vines = \$4,300
 - Labor for planting = \$3,000
 - Trellising = \$4,800
 - Labor for trellising = \$5,250
 - Total = ~\$17,350
- In year 4 at full production:
 - 2 tons per acre (low to moderate yield)
 - 125 cases of wine produced

- At an average price of \$20/bottle (low for Vermont), \$30,000 gross profit for farmer per year per acre.
 - Money put back into economy with vine purchase
 - Jobs created through planting and then with ongoing farming
 - Tax money created through tax on production and sales
 - Tax money generated through increase in tourism
- An allocation of \$1MM would increase current vine plantings in Vermont by more than 50% and generate \$1.2MM per year in product in 4 years.

Who currently grows grapes in Vermont?

- Most active commercial vineyards are now operated and managed by full-time farmers and winemakers.
- Distinct change from the beginning of the industry when it was a combination of new producers and hobbyists.
- Many young farmers and new members of the industry hoping to grow and develop new brands and plantings.

What are the major challenges to young growers?

- Up-front costs associated with installing a vineyard.
- Lack of infrastructure.
 - This will grow naturally with plantings and more wineries.
- Challenges associated with starting new wineries.
 - This has led to some shared space work with lots of room for growth in this area.

Areas that have been helpful and supportive:

- UVM Extension Specialty Crop Program
- Vermont Farm and Forest Viability Program (currently at least 4 wineries enrolled, including Stella14 Wines)

How funding new vine plantings can benefit the state:

- By maintaining farm land and adding more financially viable agricultural use.
- Hybrid grape vines are one of the most climate resilient crops.
- There is large financial potential for both tourist dollars and tax dollars.
- Increased support of other Vermont businesses (vineyard planting, vine nurseries, other agricultural businesses)
- Large untapped job market.
- Carbon sequestration.

- Agricultural use of less prime soils.

How grant money allocated to viticulture could be used:

- Buying vines from Northeastern Vine Supply in Pawlet.
- Working with VT Vineyards or local labor to plant.
- Working with VT Vineyards or local labor to trellis new or existing planting.