



Vermont Grape and Wine Council presentation for the Senate Committee on Agriculture

Grape-Growing in Vermont

Overview

- State of the grape-growing and winemaking industry in Vermont
- Tax and tourism financial opportunities
- Current acclaim and demand for Vermont wine
- What we grow and how we grow
- The benefits that wine production can provide to the state of Vermont as a value-added product
- Challenges and opportunities





Current state of the industry

- Vermont currently has ~170 acres planted to grapes
- Around 28 wineries
- Strong focus on Organic/Regenerative/Biodynamic farming



Quick comparison with national statistics

United States

- \$8.15 Billion tax dollars in State and Local taxes*
- \$16.69 Billion in Tourist Expenditures
- All 50 States produce wine

*Consumption taxes, which account for state and local sales taxes as well as excise taxes that apply to specific retail services

Vermont

- \$21.3 Million in State and Local taxes
- \$837,300 in Tourist Expenditures (0.005% of national total)
- VT lower than any state in tourist \$ other than Hawaii, North Dakota, Wyoming, Montana, Mississippi, Rhode Island, and Delaware

Press has been outstanding

- Alice Feiring: A Scene Grows in Vermont
- The Manual: Is the Future of American Wine... Vermont?
- Travel and Leisure: How Vermont Became New England's Natural Wine Destination
- New York Times: How the Most Delicious Wines Stay True To Themselves
- MANY MORE





What we grow:

- Vermont's wine industry thrives on hybrid grape varieties
- Majority developed as crossings of *Vitis vinifera* and numerous other *Vitis* species bred for their cold-hardiness and resistance to disease

Why Vermont and Why Now?

- Developments in hybrid grapes varieties
- Desire for new and exciting wines in younger generations
- Focus on sustainable and thoughtful land stewardship
- More demand than supply





Let's look at the financials...

- A Ten Acre Vineyard:
 - At full production can yield (on the average to low side) 2 tons of grapes per acre
 - 20 tons of grapes = 3000 gallons of juice = 1250 cases of wine
 - At \$20/btl (low for Vermont wine right now) this would be \$300,000 in revenue
 - With a tasting room and wine flights, that becomes \$525,000 or \$600,000 with full glass pours

Developments occurring right now:

- Slow vineyard expansion
- Expanded national/international presence
- Champlain Valley AVA in progress
 - American Viticultural Area



Value-added product

- Grape sales in Vermont are on-par with premium grapes in many other regions, including such elite regions as the Willamette Valley in Oregon and Sonoma in California
- As a value-added product, the viability increases exponentially
- Unlike so many other beverages, fully agricultural product



Some other benefits:

- Carbon sequestering— studies currently show that untilled land focused on regenerative agriculture has tremendous effect on carbon sequestration
- Vines are viable (and in fact thrive) on soils that would be considered less than Prime Farmland
- Multi-use possibilities (sheep!)
- \$\$\$ for the Vermont economy from the product itself, the agro-tourism aspect, and the development of otherwise unused land
- Huge potential for job development and sector growth





Climate Change

- Hybrid varieties much better adapted for a changing climate
- Currently seeing producers in much more established regions starting to experiment and take notes from the Vermont playbook– CA, France, etc.
- Vermont well positioned to be resilient and versatile as climate continues to get more changeable

Challenges:

- Vineyard establishment is expensive re: up-front costs
- Return on investment takes 3-5 years to even begin
- Lack of infrastructure
 - Equipment
 - Co-packing/Production space
- Limited trained labor
- Unique and evolving viticultural techniques in our growing region



Ideas for growth



- Some grant money exists, but limited and tends to be focused on other forms of agriculture
- Collaboration with existing farms?
- New Mexico 2022 Vineyard Restoration Fund an interesting model for state support– “\$1 Million today will get you \$10 Million in taxes paid out over the next 10 years”*

The future is bright...

- Vermont wine culture is simultaneously old (attempts at viticulture date back to Samuel de Champlain's era), and brand new (the first two commercial vineyards were planted in 1995)
- Agriculture is the backbone of Vermont's cultural landscape and viticulture has the potential to keep that tradition progressive and exciting without changing the ethos of the state
- With the focus on regenerative agriculture, organic farming, and no-till viticulture that encourages carbon sequestration, grape growing for wine production is in line with environmental and social goals for the state

