



VINEYARD REMOVALS: LODI GROWER CONSIDERATIONS

As highlighted by several industry presentations over the past few months, there are many significant challenges confronting the wine sector. At the Unified Wine & Grape Symposium's State of the Industry presentation on January 24th, Jeff Bitter with Allied Grape Growers recommended that California needs to remove a minimum of 50,000 acres of winegrapes to get supply better aligned with current demand. Bitter was even more specific, with the following regional recommendations:

- Lodi/Delta: 15,000 acres
- Central Valley: 15,000 acres
- Central Coast/Mendocino/Lake County: 15,000 acres
- Sonoma/Napa: 5,000 acres

We've also been told privately by leading industry professionals that California likely needs to remove 100,000 acres of winegrapes to better balance supply and demand. One of the challenges is that new acreage coming online is much more productive than the acres being pulled out. Notably, after three decades of growth triggered by the French Paradox in 1991, U.S. wine shipments have experienced a consecutive two-year decline. Projections indicate that 2023 wine shipments may decrease by 2-4%.

Additionally, the rapid rise of input and labor expenses has driven up the cost of both farming and winemaking, reducing profitability all around. Even securing a contract is difficult in current grape market conditions. With today's average market prices, higher yields are often necessary to maintain profitable margins. And many of our older vineyards, still producing high quality fruit, cannot produce the higher yields necessary with current pricing. Based on all of the above, growers are considering alternative crops and removing vineyards that are no longer profitable.

VINEYARD REMOVAL CONSIDERATIONS

BEFORE vines are pushed over, piled up or otherwise removed from the ground:

- Contact any financial incentive programs you'll be applying for as they may need to visit the vineyard while it is still intact.
- Conduct any disease testing as required for the Tree Assistance Program (TAP) or the Ag Commissioner's Office.
- Decide what you plan to use the land for next, which will help you decide how to dispose of the vines. The way you remove the vines (with or without wire/how they are piled) matters and can differ between disposal methods.



Open-Air Agricultural Burning

There is a great deal of confusion regarding regulatory requirements for burning vineyards. The San Joaquin Valley Air Pollution Control District has outlawed all burning of vineyards by January 1, 2025. Currently, growers farming under 250 spur-pruned or 100 cane-pruned acres may still be able to get a permit/permission to burn, but both burn day availability and the amount growers are allowed to burn per day are much more restrictive than in the past. Removing a vineyard without the use of open-air ag burning is much more expensive, and vineyard removals are likely to be even more costly down the road. For additional information please see the 14-page handout created for the Lodi Winegrape Commission's CLEARING THE AIR: AG BURNING OUTREACH MEETING, which includes the phase out schedule, financial incentive information, vineyard removal tips and resources, best practices for burning alternatives, and TAP-approved crops for rotation. You can find this handout at lodigrowers.com under the EDUCATION tab, on the VIDEOS, PRESENTATIONS & HANDOUTS page. Copies are also available at the Lodi Winegrape Commission office.

Tree Assistance Program (TAP)

The Tree Assistance Program, or TAP for short, provides financial assistance to eligible growers experiencing a natural disaster, such as greater than 15% infection with red blotch or leafroll virus, using funds from the Farm Bill. You may be eligible to recoup up to 65% of certain removal and replanting costs. And you do not need to replant with winegrapes – there is an extensive list of TAP-approved alternative crops (see the handout mentioned above). For more information, read pages 82-83 in the red virus book or the lodigrowers.com viticulture blog post, "Pulling Out A Vineyard? Read this First."

Property Taxes/Land Value

Once a vineyard is removed from production, growers may be able to have the county reassess the property for a reduction in property taxes. Several factors may make bare land more valuable for resell or lease. Older vineyards may be difficult to farm profitably without higher yields or a premium buyer.

Lease Options

There may be opportunities to lease your land to other agricultural operations. In some cases, land renters may be willing to remove existing vineyards as part of the lease agreement. If interested, contact local ag real estate companies to explore options.

Disease Issues

Many vineyard pests and diseases pose a threat to neighboring vineyards, future vineyards and the Lodi region as a whole, especially vine mealybugs, leafroll virus, powdery mildew, noxious weeds, and trunk disease. Leaving a vineyard unmanaged could exacerbate disease issues for neighboring vineyards and reduce the lifespan, and thus profitability, of nearby vineyards.



Fallowing Period

Fallowing the ground could be a wise strategy for future opportunities. Allowing the ground to rest with a well thought-out cover crop can help regenerate the soil and improve the health of any crops planted later on.

Crop Rotation

Crop rotation should be considered especially on 2nd and 3rd generation vineyards. Crop rotation promotes long-term soil health, improves productivity, reduces environmental impact, and supports a more resilient and sustainable agricultural system. Larger ranches may want to consider a plan to rotate vineyards across the available acreage, keeping one section unplanted and possibly incorporating livestock as a secondary income source.

Alternative Crops

In addition to winegrapes, many crops can thrive in Lodi. Our soils, Mediterranean climate, and reliable access to water provide countless options. Diversifying your farming operation helps manage risk and provides new revenue streams. Some crops might be niche specialty crops that require a hand-sell, but they could also open the door to other opportunities and breathe new life into your farming operation by allowing you to better connect with consumers. If you are considering planting trees, it is advisable to contact your local water agencies to understand long-term water availability for your site as trees use more water than vines. For more information, contact the Woodbridge Irrigation District (woodbridgeirrigation.org) or the North San Joaquin Water Conservation District (nsjwcd.com). We will showcase niche market/farm diversification opportunities during the last 30 minutes of our monthly IPM breakfast meetings, held on the first Tuesday of most months at Burgundy Hall, Grape Festival Grounds, at 8am (see lodigrowers.com or call us for more information).

We understand that removing a vineyard can be a tough and very personal decision. If you are uncertain how to proceed and would like to discuss your options, please feel free to reach out to the Lodi Winegrape Commission. We are happy to sit down one-on-one with you to talk about market conditions and help you think through ideas for moving forward. We can be reached at 209.367.4727.

With appreciation,

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