

# Winegrapes in California

## Tremendous Growth

The California winegrape and wine community has become an integral part of the California landscape and culture. With winegrapes growing in 47 of the State's 58 counties, covering an acreage of 477,000, Californians and those visiting the state have the opportunity to visit wine regions almost anywhere they go. There are now over 4,600 winegrape growers in the state, supplying the 2,275 bonded wineries. The wine industry and its allied industries employ over 309,00 full time equivalent positions and help to generate an economic impact of \$51.8 billion for the California economy - making wine California's #1 finished agricultural product.

## Winegrapes:

Facing increase competition from wineries throughout the U.S. and the world, California's wine community has embarked on efforts to enhance and maintain its integrity and outstanding levels of quality. The California Sustainable Winegrowing Program has allowed the industry to become leaders in sustainable agriculture with over 5,000 participants involved.

## Rising Rural-Urban Conflicts

California's population has grown tremendously and it is expected to continue to do so in the coming decades. With this growth, there are increasing pressures being placed on agricultural operations throughout the state. Competition for natural resources has become fierce with land becoming a commodity, water becoming less available and air quality increasingly being considered an issue. Vineyards are typically on the urban edge, especially in coastal areas, so winegrape growers have first-hand knowledge about rural-urban conflicts.

## Environmental Stewardship

As we mature, we are taking more responsibility when it comes to environmental stewardship and good-neighbor policies. We anticipate that our actions in this area will foster a positive image of California wines among consumers, regulators, lawmakers, local communities and the general public. As we differentiate ourselves today, we expect to improve bottom-line results tomorrow.

## Sustainable Winegrowing

On the statewide level, we are bringing together all stakeholders &ndash; growers, vintners, regulatory agencies, academic institutions and environmental advocates &ndash; to find sustainable solutions. The California Association of Winegrape Growers, in collaboration with Wine Institute, has developed a Code of Sustainable Winegrowing Practices. Along with the Code, the formation of the California Sustainable Winegrowing Alliance has led the way in increased participation and leadership in sustainable farming practices. The California wine community continues to be engaged in statewide Pest Management efforts and remains vigilant in efforts decrease the impact on the environment in which we live and work.

## Additional Challenges

- Glassy-winged Sharpshooter, the carrier of Pierce's Disease, captured a considerable amount of our time, attention and financial capital last year. The industry contributed funding to augment federal and state efforts to combat this devastating pest. The battle continues.

- Global competition is fierce. The United States is the fourth largest wine producer behind France, Italy and Spain. U.S. wine production is 7.2 percent of the world total. BY 2010, the United States is expected to become the world's largest wine consuming country. Many other countries see the opportunity and are fighting to capture their share of the American market. California produces over 50 varieties of wine and seeks to grow its share of the domestic market and we continue to look overseas for new and developing market growth.

- Regulatory challenges threaten to hamstring growers in California. Although we take a responsible approach to environmental stewardship, we face high regulatory hurdles with the Endangered Species Act, Clean Water Act and air quality restrictions. We seek solutions that will protect the environment while enabling entrepreneurs such as winegrape growers to maintain viable family businesses.