

Background Information

Background of Sustainable Issues

There is a heightened sense in California of the need to implement new and more "sustainable" practices across the state in order to accommodate the pressures that will be placed on our state over the coming years. To put the work of Wine Institute's Sustainable Practices Subcommittee Working Group into a broader context, please review the information outlined below.

Population Growth and Associated Pressures

California's population is currently growing at a rate of approximately 600,000 people per year, with that figure anticipated to rise to 850,000 per year by 2015. At the same time, housing growth has been growing at a rate of only 150,000 units per year, or 1 for every four new residents. Such increases in supply have already created a backlog of demand.

In addition, housing production has recently been most prevalent in the counties of Riverside and San Bernardino in Southern California, and in San Joaquin, Stanislaus, Solano, and other inland counties around the San Francisco Bay Area. These trends are likely to continue. However, the expansion beyond these counties will be into counties that are also traditionally agricultural, and in many cases winegrowing centers.

The growth of the jobs base, on the other hand, has not followed the patterns of new housing development. The majority of the jobs being created in the state remain in the larger urban hubs (San Francisco Bay Area, Silicon Valley, Los Angeles County), thereby creating a strain on existing transit systems in moving people through their commutes.

The projected population growth of more than 20,000,000 people in the next 25 years will put a tremendous strain on the state's resources (water, energy, land, environmental quality, etc.) This growth alone will not be the only challenge to the sustainability of the wine industry. Other factors are currently in play as well.

Public and Legislative Attitudes Affect Sustainability

Legislators have been reluctant to deal with growth related issues because the outcome of any decision will be unpopular with at least some portion of their constituency. In a recent article, Sacramento Bee writer Dan Walters wrote, "The supply-and-cost squeeze on electric power is just the most obvious manifestation of the problems caused by California's population growth, economic evolution and cultural transformation. And the same governmental neglect that allowed the problems to reach critical proportions is also evident in other matters directly related to those same social and economic trends. Looming, or already hitting home, are squeezes of water supply, housing, college education, airport capacity, highways, health care and traffic congestion, to name but a few of the more obvious. And what's being done to prevent the problems from becoming full-blown crises?"

Nothing, or so little that it might as well be nothing. The tendency of Capitol politicians when confronted with one of these issues is to make sympathetic noises, throw a few dollars at it so they can claim to have done something and then, in effect, pass the problem on to the next set of officeholders. The emphasis is on expediency and avoiding risk, rather than rational policy…"

In California, a phenomenon referred to as the "fiscalization of land use" is under way. Current state law provides no incentive for cities and counties to create infill, create multi-family housing units, and limit sprawl. In fact, the dependence of local governments on the sales tax has encouraged the creation of outlying centers, of which Vacaville is often sighted as the prime example: the placement of major retail centers around a freeway junction in a "rural" area, which then leads to further circles of concentric growth is typical. These patterns place tremendous pressure on the traditional agricultural land uses in such areas. Without changes to the fiscal policies of the state, it is unlikely that local governments will do much to encourage new ways of planning.

While local legislators often shy away from making land-use decisions, it has become apparent that on an international scale, regulatory and governmental bodies are willing to make more sweeping environmental decisions. Many businesses are moving ahead of the curve, and are now set to adopt the environmental practices being outlined through the ISO 14001 standards, a comprehensive set of standards for all types of business to apply which measures incorporation of "Environmental Management Systems" and is verified by an accredited international body. These standards will require that businesses, throughout a supply chain, conform to environmental management system applications in their business practices. For example, in 2002, General Motors will require that any supplier (either direct or further removed in the supply chain) be in conformance with ISO 14001. In another example, Home Depot announced that as of 2001, it would only purchase lumber from suppliers practicing "sustainable forestry" as defined in the ISO standards. This announcement turned the New Zealand lumber industry upside down overnight, as Home Depot is the single largest purchaser of that country's lumber products. Such actions are likely to become more and more common as retailers attempt to paint their operations as "green," in order to market their differentiation from competitors. The consumer trend of seeking out eco-friendly products is projected to continue into the future.

The public itself is becoming less and less tolerant of "growth", and are turning to the ballot box in order to control their environments. According to Land Trust Alliance figures, 175 of 208 open space protection measures across the country passed in 2000. Creatively, Ohio linked rural open space and farmland preservation with urban brownfields (blighted industrial) restoration. In an article entitled "Smart Growth 2000: Bumps and Breakthroughs," Neal Peirce writes about "exurban NIMBYism" — people newly located in one suburb looking at the next subdivision and crying, "stop it." The same can be said of those who have located into "rural" landscapes such as those near working vineyards and wineries, who then call for a cessation of the land uses that had originally attracted them to the "country."

Summary

CAWG and the Wine Institute have been monitoring these issues for a number of years and have become increasingly more involved in groups that can affect change. The Communications Committee's Sustainable Practices Subcommittee will periodically update the membership on these important issues.