

VERMONT FOOD SYSTEM PLAN PRODUCT BRIEF



PRODUCT:

Grapes

What's At Stake?

Grapes and wine are a fledgling industry in Vermont with great economic potential and a growing reputation for quality. Grape varieties that tolerate Vermont's cold winters and produce high-quality wines have only been available since the late 1990s, and in 2016, the value of cold-climate grapes and wines in the United States was estimated at \$400 million. To support and sustain Vermont's share of this growth, the industry must define and maintain standards of quality and regional identity of the diverse wines made in the state. Producers also require organizational and technical support in grape cultivation, business development, and winemaking practices in order to maintain competitiveness.

Current Conditions

In the 1990s, Vermont's grape production was near zero, as wine grapes were not able to survive the cold climate or ripen to produce a high-quality wine. Cold-climate grape production began with the introduction of grape varieties developed in Minnesota and Wisconsin, and now breeding programs continue to develop and release new varieties every year. By 2018, approximately 200 acres of grapes were planted in Vermont,¹ with total wine value estimated at over \$4 million.² Wines are primarily sold on-site at wineries, with limited restaurant sales and out-of-state distribution. Vineyard growth has been stagnant for the past decade. However, recent growth in "natural wines" made from low-input vineyards with minimal winemaker processing has drawn attention to some Vermont wineries, including from national and international press.

The unique production requirements of grapes and wines require research, education, and business development services. Varietal selection, cold hardiness, training systems, disease management, limited skilled-labor availability, and crop load management are just a few of the challenges grape growers face annually. Likewise, winemaking techniques, access to equipment and financing, and legal considerations are critical to winery success. And capital, financing, branding, and sector development are critical needs to growth of both vineyards and wineries. There is presently limited in-state or regional support from universities or industry groups to support these needs.



Bottlenecks & Gaps

- There is a lack of technical assistance providers in Vermont to assist growers and winemakers, who must integrate research and knowledge of viticulture, winemaking, and marketing.
- Grape variety development is still occurring, and it is likely that the best varieties for Vermont climate and soils have not yet been released or evaluated. The long development cycle from breeding to selection to testing to planting to winemaking to profitability is a substantial industry disadvantage.
- Cooperation between wineries and vineyards is limited. Not enough grapes are produced, either of the optimal varieties or using the growing practices required for the growing natural wine sector, to encourage business growth.
- Because of high up-front costs, long period of return on investment, and market risks associated with a relatively new industry, it is difficult for wineries and vineyards to attain capital and financing.
- Department of Liquor Control regulations on tasting room sales, wine shipments, and other sales practices limit potential sales and threaten winery profitability.

Opportunities

- Vineyards may present new opportunities for farmers and farmland as changes continue in the dairy, orchard, and other industries. There is growing interest in grapes and wine among beginning farmers.
- Exploration of vineyard sites outside of the Champlain Valley may present new micro-climates and terroirs that produce unique wine styles.
- Expansion of the “natural wine” sector using alternative farming practices, native vineyard yeasts, and less intervention in the winery may increase the market visibility of these high-value wines.
- Food culture in Vermont is amenable to marketing collaborations that increase the profile of locally made, unique wines. Collaborations between wineries and cideries and restaurants, vineyards and livestock farmers, and between vintners, present opportunities for novel products, marketing, and shared resources.
- Growing the level of wine knowledge and appreciation among restaurant staff and consumers, related to cold-hardy grapes and Vermont terroir, could lead to increased sales.

Recommendations

- The Vermont Grape and Wine Council (VGWC) and the Department of Liquor Control (DLC) should review rules for wine sales to address critical issues that limit winery success. In particular, repeal a recent DLC rule that prohibits wine sales by the glass in winery tasting rooms. (See [Beer](#), [Spirits](#) briefs.)
- Provide funding for one or two full-time research and technical support staff at UVM Extension or other organizations with viticulture, pest management, winemaking, and marketing expertise. Research and outreach programs should include support for production and winemaking practices used across the Vermont wine industry, including natural wine producers. Work with farm support providers to connect landholders and vineyard owners with interested wine producers. Cost: 1 or 2 FTEs; \$100,000-\$200,000 per year.
- Offer operational and organizational support to the Vermont Grape and Wine Council (VGWC), which was formed by legislative statute in 2007. Support may be provided by the Vermont Agency of Agriculture, Food and Markets, Vermont Sustainable Jobs Fund, UVM Extension, Vermont Fresh Network, or other entities with experience in organizational and market development.
- Develop collaborations across state and international borders (especially in Quebec), with universities, industry associations, and businesses to expand opportunities available to Vermont producers.
- Create a dedicated revenue source or “check-off program” to support technical assistance, marketing programs, and VGWC operations. This has been very successful in other developing wine regions like Nebraska, Pennsylvania, and Iowa.

Farm to Plate is Vermont's food system plan being implemented statewide to increase economic development and jobs in the farm and food sector and improve access to healthy local food for all Vermonters.

The Vermont Agency of Agriculture, Food & Markets (VAAFAM) facilitates, supports, and encourages the growth and viability of agriculture in Vermont while protecting the working landscape, human health, animal health, plant health, consumers, and the environment.

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