

CALIFORNIA
SUSTAINABLE
WINEGROWING
ALLIANCE

Benefiting the environment, the community and high quality grapes and wine

Reducing Risks through Sustainable Winegrowing: A Growers' Guide

CALIFORNIA SUSTAINABLE WINEGROWING ALLIANCE

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Courtesy of Bonterra Vineyards.

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Effectively managing the complexity of risks enables producers to ensure long-term business success by simultaneously achieving financial goals while benefiting human and natural resources.

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INTRODUCTION

Box A

Synopsis of the California Sustainable Winegrowing Program

The California Sustainable Winegrowing Program (SWP), launched in 2002, encourages practices that are sensitive to the environment, responsive to societal needs and interests, and economically feasible to implement. The SWP promotes voluntary high standards of sustainable practices in all aspects of grape and wine production, enhances peer-to-peer education about these practices, and demonstrates positive results. Its proactive, precautionary approach addresses increasing pressure from public perceptions and environmental decisions from regulatory and governmental bodies, while building opportunities for effective management.

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Farming is risky by nature. Winegrape growers in California often confront significant challenges from unpredictable natural physical conditions and market factors. Moreover, unprecedented changes in local and global climate, as well as increased regulatory and economic pressures, have exacerbated risks. These and other concerns often create stress for growers.

Top risks include weather extremes (e.g., frost, heat, heavy rain/flooding, or drought), water shortages and impairments, damaging pests (especially exotics), labor concerns (e.g., employee retention, safety, or legal issues), increasing energy costs and shortages, and unexpected market variability (e.g., intensifying global market competition and price fluctuations). Many growers experience losses from these factors. In 2007, the estimated reported losses in California's grape crop in terms of total indemnities paid to insured growers totaled \$8,899,474. About 30-35% of the state's grape growers are uninsured, positioning them at greater risk (USDA-RMA, Western Region Office, 2008). Crop insurance alone, however, does not fully buffer risks and guarantee business success.

The good news is that growers can adopt methods to reduce liability and risk. "Sustainable winegrowing" is an integrated systems approach to producing grapes and wine that balances the three E's or principles of sustainability – Environmentally Sound, Socially Equitable, and Economically Feasible – as defined in "The California Code of Sustainable Winegrowing Practices Self-Assessment Workbook," the centerpiece of the California Sustainable Winegrowing Program (SWP) (see Box A).

This Growers' Guide focuses on the relationship between sustainability and risk reduction by highlighting key practices from the SWP Workbook, an important risk management tool itself, and from other sources that reduce risks to growers. The intent is to clarify understanding that improvement along the continuum of sustainability by adopting practices detailed here and in the SWP Workbook can be an effective risk-management strategy, enhancing the long-term viability of their businesses. The following risks and corresponding sustainable practices for minimizing the risk are addressed.

Box A (Continued)

A comprehensive, self-assessment workbook, the California Code of Sustainable Winegrowing Practices Self-Assessment Workbook for the California Wine Community, targeted education workshops, reporting, and other activities are used to facilitate the adoption of sustainable practices by growers and vintners. This set of self-assessment and educational activities enables a cycle of continuous improvement for increasing sustainability. The SWP collaborates with many partners, including industry groups, regional grower associations, government agencies, scientists, environmental organizations, insurance companies, and other agricultural commodity groups. Visit www.sustainablewinegrowing.org for additional information.

Risks to California Winegrape Production	Corresponding Mitigation (Sustainable Practices)
<ul style="list-style-type: none"> • Water scarcity • Impaired quality of water • Decreased quality of soil • Diminished air quality/climate change • Increased cost of labor • Rising cost of energy • Outbreaks of pests • Aberrant weather • Unexpected market challenges 	<ul style="list-style-type: none"> • Water conservation & efficiency • Water quality protection • Soil conservation & management • Air quality protection • Human resource management • Energy conservation & efficiency • Integrated pest management • Weather monitoring & preventive planning • Selection of appropriate insurance policies & tools and proactive business planning & management

The application of these recommended practices, which incorporate sound science and technology, and effective financial tools, constitutes an integrated systems approach that greatly reduces risk and associated stress. This manual addresses economic, environmental, and social risks; and reveals that these types of risks are often interrelated, e.g., environmental risks in farming often have financial implications for individual producers and/or to society. Effectively managing the complexity of risks enables producers to ensure long-term business success by simultaneously achieving financial goals while benefiting human and natural resources.

