

Sonoma Alliance for Vineyards & Environment

May 30, 2025

Mr. Greg Guisti, Vice Chair
North Coast Regional Water Quality Control Board
5550 Skylane Blvd., Suite A
Santa Rosa, CA 95403
Email: NorthCoast@waterboards.ca.gov

RE: Recommendations to Pause Proposed Order No. R1-2024-0056 General Waste Discharge Requirements for Commercial Vineyards in the North Coast Region

Vice Chair Guisti,

The Sonoma Alliance for Vineyards & Environment (SAVE) is the voice of multi-generational, family-owned wine producers and grape growers in Sonoma County. The mission of SAVE is to support sound public policy that ensures the continuation of the agricultural heritage that is at the core of the Sonoma County economy.

The adoption of this Vineyard Order now is a direct threat to SAVE members.

Our organization realizes that the Vineyard Permit (Order No. R1-2024-0056) is in response to the State Water Resources Control Board's Irrigated Lands Regulatory Program (ILRP) and statewide policy. We also recognize that the Regional Board is also actively involved in implementing the Statewide Winery Order. These two orders together would cause irreparable financial harm to the wine community but when coupled with regulatory actions from the federal, state and county related to air quality, pesticide regulation, and endangered species requirements, it is truly the death of the small family farmer through a thousand cuts. Any one of these puts an undue burden on small family farms. The unintended consequence of these orders is the loss of small growers and producers and an increase in large corporate interests.

Although staff have reached out to growers and have tried to incorporate some of their issues in the Final Draft, they have failed to articulate the threat that merits the scope and cost of this order. It fails to recognize or appreciate that one size does not fit all.

The Final Draft totals 215 pages and raises more questions than it answers. It is imperative that the Board read and understand the document and the burden that it places on the grower.

Our request for pausing adoption of this Order stems from the high cost of compliance in the current economic environment.

The costs calculated in the draft Order are irrelevant if growers lack adequate revenues to cover the additional cost.

The wine community is facing a perfect economic storm of rapidly rising costs while seeing a significant decline in revenues.

The cost of labor is rising quickly and will only continue with the constraints on the availability of the labor pool. The cost of materials is increasing and will do even more so as tariffs are enforced. The tariffs also have specific impacts on the market for exported wines as we have already seen. Thirty-five percent of California Wine exports have historically gone to Canada, which now has a don't-buy-American campaign in effect. Canadian business partners have canceled millions of dollars of orders, and potential sales to Mexico or the European Union are on hold.

We are also witnessing a change in the marketplace for wine. The Baby Boomers drove the growth of the wine community from 1975 to 2015. That generation is decreasing to be replaced by Gen X, Millennials, and Gen Z. These new buyers have a broader range of options from wine to beer to cider to spirits to seltzers and even cannabis. The marketing professionals are addressing this change, but it will take time.

In the meantime, we have a supply imbalance. Multi-year grape contracts between growers and wineries occur less frequently and, when they do happen, the negotiated price is reduced compared to a few years ago. Grape prices on the spot market have also dropped. In fact, the 2024 weighted average price per ton for Mendocino County grapes fell by almost 20%. Growers will operate at a loss for the foreseeable future.

Information from American Ag Credit, a primary financial institution for growers, indicates that appraisals for vineyards are being reduced by 30% to 40%. Outstanding loans now are greater than appraised value, putting strain on the ability of a grower to borrow. With appraisals in hand, growers will be making applications to county assessors to reduce property tax revenues.

To cut losses, we are already seeing the fallowing of vineyard land. Sonoma County's vineyard acreage has already dropped by thousands of acres. A very real danger is the abandonment of vineyards by property owners that will go un-maintained and become the source of disease for surrounding vineyards.

Correcting this imbalance and addressing the changes in the marketplace will take years and the wine community needs help. The economic engine that is the wine community cannot survive additional regulatory requirements.

Based on the discussion above, we are requesting that the Board pause adoption of the Vineyard Permit. While on pause, the Board should work with the State Water Board and the State legislators to confirm that the unintended consequences associated with this order are inappropriate, do not meet the intent of state legislation, and produce outcomes that are unwarranted and economically unsustainable.

This request has precedence. Working together, SAVE and the Sonoma County Vintners have coordinated meetings with Senate Pro Tem Mike McGuire, Senator Cabaldon, Assembly Member Connolly and Assembly Member Rogers to discuss the real impacts of implementing the Statewide Winery Order. The meeting was attended by staff of the State Water Board. The outcome was an acknowledgement that the legislators have a role to play in review of the impacts of regulatory requirements. There was a decision and direction to conduct three additional meetings with staff and producers to be completed by August to identify the impacts and the ability to meet with the intent without the loss of many small businesses.

Thank you for taking the time to read through this document. I am available to discuss further if that is helpful.

Sincerely,



Taylor Serres Murnig

President, SAVE



Mike Martini

Executive Director, SAVE