Senate Select Committee on California's Wine Industry Spring 2026 Hearing

California's Wine Industry Resilience and Renewal: Charting a Path Forward

Committee Membership: Cabaldon (Chair), Alvardo-Gil, Caballero, Hurtado, Laird, Limon, McGuire, McNerney, Padilla, Seyarto, Valladares

Date: Thursday, March 12th, 2026

Time: 2:30 PM – 5:00 PM

Location: Napa Valley College
2277 Napa Vallejo Highway Napa, CA 94558
McPherson Administration Building Boardroom 1538

Agenda

2:30 – 2:45 Opening remarks
Goal: Outline the value of the wine industry and the need for creativity in addressing the current situation.

2:45- 3:15 Panel 1: Research and Trends
Goal: Provide a snapshot of the research on current trends and challenges in the wine industry

- Dr. Damien Wilson, Faculty Director of the Wine Business Institute, Sonoma State University
- Dr. Ben Montpetit, Marvin Sands Department Chair & Professor, Viticulture and Enology, UC Davis
- Chris Bitter, Senior Wine and Grape Analyst, Terrain

3:15 – 3:45 Panel 2: Insights from the California Wine and Grape Growing Industry
Goal: Provide an update on wine and wine grape production, discuss current trends, and review possible steps forward.

- Michael Miiller, Director of Government Relations, California Association of Winegrape Growers
- Honore Comfort, Vice President of International Marketing, Wine Institute
- GinaLisa Tamayo, Board President, Family Winemakers of California

3:45 – 4:15 Panel 3: Community Impact
Goal: Discuss current trends in the wine industry, and their impact on the wider community including tourism, farmworkers, and water usage.

- Linsey Gallagher, President & CEO, Visit Napa Valley
- Sonya DeLuca, Executive Director & CEO, Napa Valley Farmworker Foundation
- Annalisa Kihara, Assistant Deputy Director of the Division of Water Quality, State Water Board

4:15 – 4:45 Public comment period

4:45 – 5:00 Closing Remarks

SONOMA STATE UNIVERSITY | WINE BUSINESS INSTITUTE

BRIEFING MEMO for Senate Select Committee Hearing

California's Wine Industry: Resilience & Renewal

TO: Senator Christopher Cabaldon, Chair | Senate Select Committee on California's Wine Industry
FROM: Damien Wilson, Faculty Director, Wine Business Institute at Sonoma State University
DATE: March 12, 2026
SUBJECT: Navigating Structural Change through Evidence-Based Leadership

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Executive Summary

California's wine industry is an $80 billion economic powerhouse. However, since 2021, the sector has faced a period of profound structural change. **To maintain global leadership, the industry must pivot from "opinion-based" traditions to "evidence-based" strategic growth**, supported by the research and workforce development provided by the Wine Business Institute at Sonoma State University.

I. Critical Challenges Facing the Industry - Presentation in Packet

1. **Economic Contraction:** A "triple threat" of inflationary input costs (glass, labor, and fuel) combined with California's housing shortage is squeezing margins for both family-owned estates and large-scale producers.
2. **The Consumption Shift:** Gen Z and Millennials are approaching alcohol differently. A "premiumization gap" and an "absent welcome" have created a significant disconnect between the industry and younger consumers.
3. **The Paradox of Prestige:** Over-reliance on technical "wine expertise" has inadvertently created a "miseducated" frontline. Prioritizing elitism over consumer accessibility reinforces the perception that wine is too complex and judgmental.

II. Strategic Opportunities for Recovery

- **Net Customer Acquisition:** Data indicates that **5/6 brands grow** successfully from acquiring new customers, which increases loyalty behavior. Focusing efforts on just increasing loyalty leads to market decline, as we see today. We must escape the "fine wine vortex" (competing for the same shrinking pool of loyalists) and expand the wine category.
- **Digital & Values-Driven Innovation:** By leveraging AI and data analytics, California can lead in "socially conscious" wine—integrating regenerative viticulture and alternative packaging to meet the values of modern consumers.
- **Evidence-Based Decision Making:** Shifting from "gut feeling" to market analytics ensures that capital investments in vineyard removal or brand pivots are backed by statistical reality.

III. Solving the "Image Problem" - SSU Decision-Day Slide in Packet

The Wine Business Institute is the state's laboratory for the future of winery supply chains, marketing, and management. Our faculty and graduates are on the front lines in:

- **Interdisciplinary Leadership:** We are breaking academic silos, opening Wine Business programs to students in **Computer Science, Spanish, Communications, and GIS** as a starting point in creating a more versatile workforce.
- **Cutting-Edge Research:** Our current studies focus on consumer behavior at retail, in tasting rooms, and events, which provide evidence for wine business to use the best tools and knowledge at their disposal to navigate change.
- **Workforce Readiness:** We are training the next generation of **CFOs, CEOs, & CSOs** to help manage climate risk, develop cross-cultural HRM, & apply digital marketing skills.

Recommendation

We urge the Committee to support initiatives that bridge the gap between agricultural tradition and digital innovation. By fostering partnerships between the State of California and academic institutions like the Wine Business Institute at Sonoma State University, we can ensure California wine remains the gold standard for the 21st century.

Contact

Damien Wilson | Faculty Director, Wine Business Institute
Sonoma State University | Email: wilsodam@sonoma.edu Phone: (707) 664-3555

What’s Happening in Wine?

SSU

WINE BUSINESS INSTITUTE

A Presentation by the Wine Business Institute

Let's Go Beyond the Headlines

FOOD & DRINK / WINE

FEBRUARY 23, 2026

U.S. Wine Exports Plummeted by $428 Million in 2025

The precipitous fall was driven by a 76 percent drop in exports to Canada.

By JEREMY REPANICH

Industry News Releases, Wine Business

One Year Later, Canadian Bans on U.S. Wine Cost American Industry $357 Million in 2025

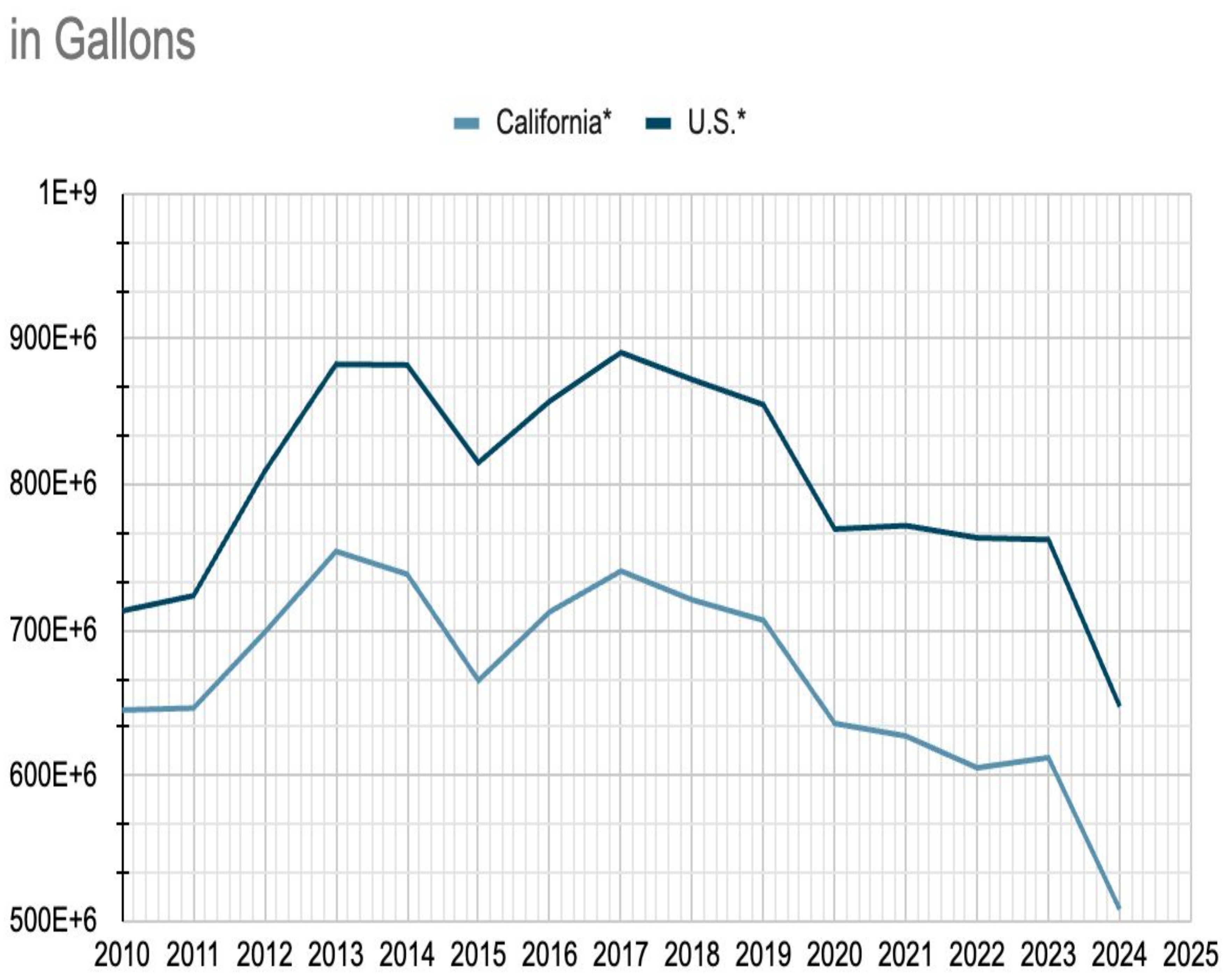
Press Release March 4, 2026

Full-year data confirms steepest single-year export disruption in modern U.S. wine trade; Wine Institute calls for resolution

March 4, 2026 (Sacramento, CA) — One year after Canadian provinces began removing U.S. wines from store shelves in retaliation for U.S. tariffs, new full-year data shows the bans triggered a massive collapse in U.S. wine exports to Canada and left American wineries,

The Impact of Declining Consumption on Production Volume (Wine Institute 2026)

US Wine Production >700M Gallons in 2010 peaked <900M in 2017. Down since, and plummeting to <650M in 2024



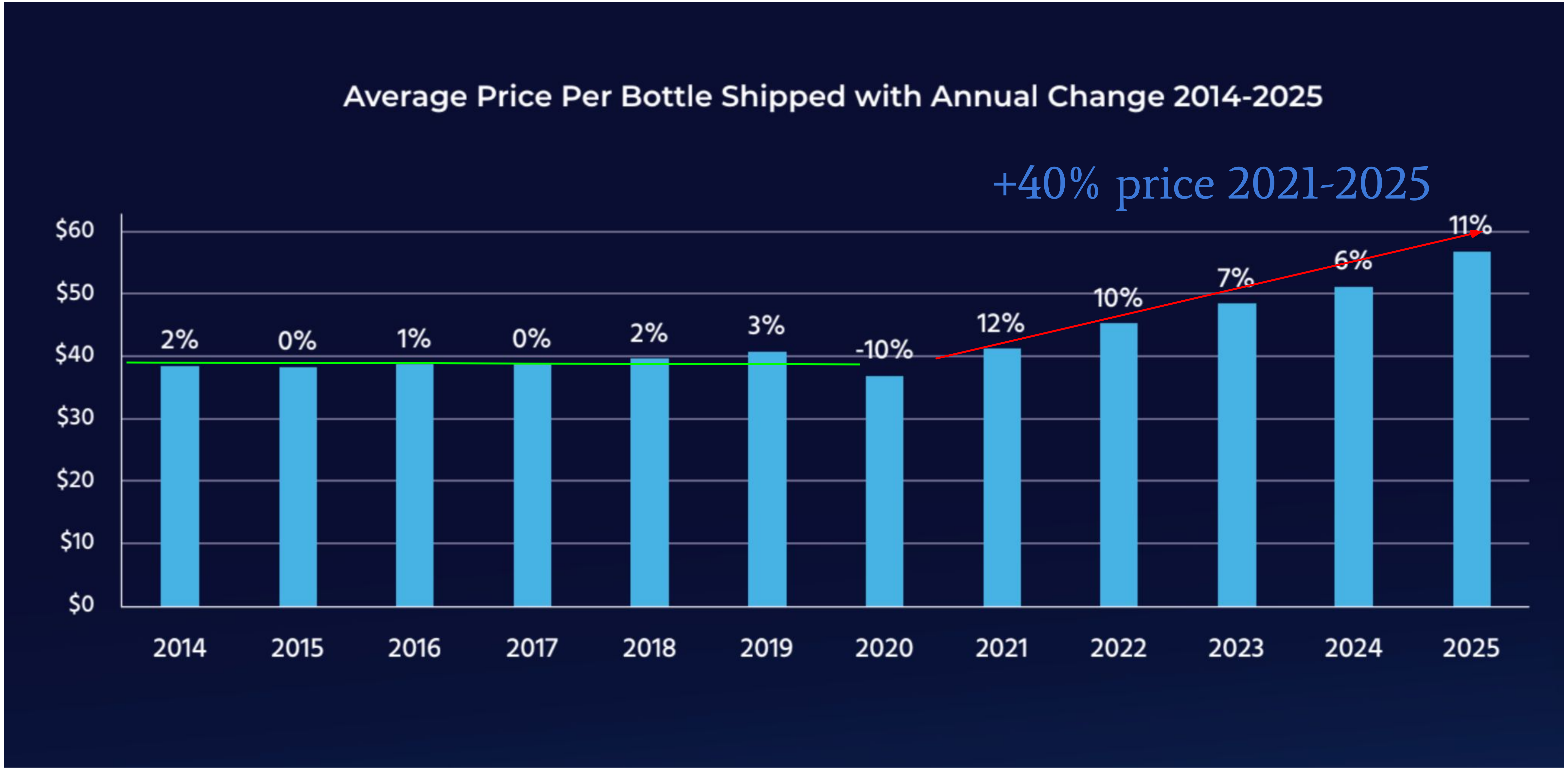
The Convincing Mirage of Current DtC Strategies

The ‘Premiumization’ Message
- The idea that wineries increasing prices improves profitability and consumer commitment

‘If you believe that’s a sustainable approach, I have some magic beans to sell you…’

This came out last month… (Sovos 2026)

At $56.78 a bottle, this won't help (Sovos 2026)



Latest News only reinforces declines, while price climbs

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Enolytics DTC Wine Industry Monthly Snapshot February 2026

Cohort Year-over-Year Performance

Data from February 1, 2026 through February 28, 2026

YoY Performance by Time Period

Covers all channels (Club, Website, Tasting Room, Phone/Other)

KPI	QTD Q1	Feb	Last 12 Months
Net Sales Wine	-0.4%	-0.1%	-2.4%
Cases Sold	-0.4%	-2.4%	-2.3%
Orders	-0.9%	-1.0%	-2.6%
AOV	-1.0%	-0.4%	+0.4%
Purchasers	-1.6%	-0.2%	-4.5%
Tasters	-3.4%	-2.6%	-6.7%

While consultants continue advocating to 'Sell Harder'

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Last 12 Months Trend

The Last 12 Months metrics tell the most important story: **consistent improvement in the underlying trend**. Net Sales Wine Last 12 Months improved from -2.9% to -2.4%, while Cases Sold moved from -2.5% to -2.3%—both marking five consecutive months of improvement from their worst levels. Orders Last 12 Months jumped nearly a full percentage point from -3.6% to -2.6%, and even Tasters improved from -7.2% to -6.7%. While one month doesn't establish a recovery, this sustained improvement across multiple metrics suggests the industry's contraction is moderating rather than accelerating.

WISE Triple Score: The WISE Insight: Fewer Guests, Higher Stakes

The Q1 Snapshot reinforces a powerful truth. We cannot control how many guests arrive, but we can control how we perform with the guests who do.

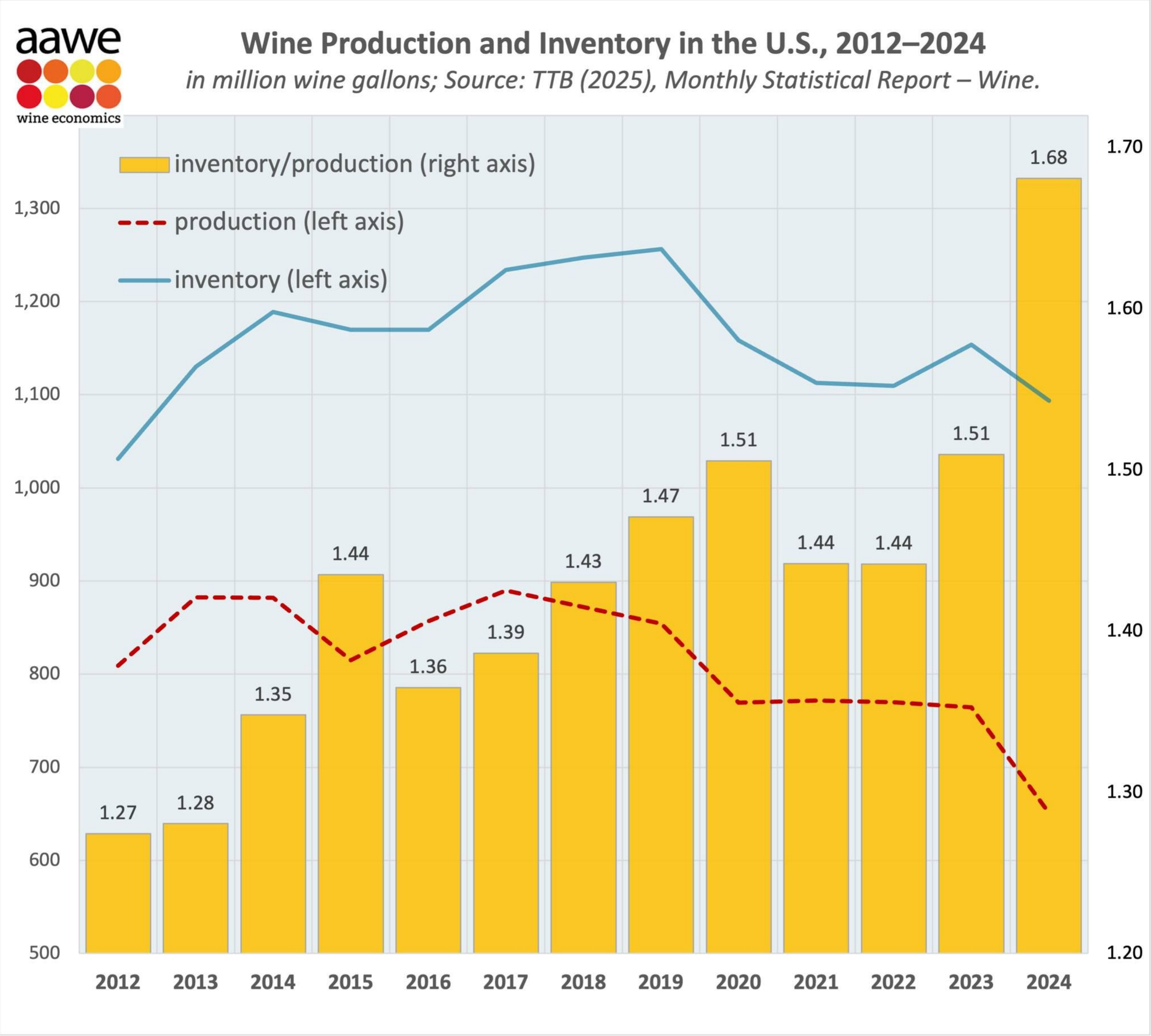
- Revenue stability suggests teams are improving at asking for the order.
- Flat club conversion signals an opportunity for focused coaching.
- Guest account usage highlights the urgency of capturing complete data.

In this environment, the WISE Triple Score is not theoretical. It is operational discipline:

1. **Ask for the Order:** Holding revenue flat against declining traffic suggests improved sales effectiveness. Teams are likely asking for the order more directly, recommending specific wines rather than general prompts, and creating clearer purchase pathways.
2. **Warm Invite to Club:** A flat club conversion rate in a declining traffic environment is a risk signal. With fewer guests walking through the door, each missed membership opportunity carries greater long-term revenue impact. If traffic is constrained, growth must come from deeper conversion of each individual guest. That means sharpening club storytelling, reinforcing benefit language, and role-playing the ask until it becomes second nature.
3. **Capture Data:** The Snapshot's Guest Account Usage metric provides insight into data capture behavior. From a WISE perspective, we want that number as small as possible. When tasting room teams gather complete contact information (name, email, phone, consent to market) for all guests, not just the reservation holder, they create future revenue opportunities. Data capture is not administrative. It is strategic. Without strong data capture, wineries become dependent on walk-in traffic. With it, they build their own demand engine.

Evidence back to 2017

Even as production was falling, the inventory ratio kept climbing…



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What's happening?

How wine got into this situation

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- US Wine Market grew in value and/or volume every year from 1993 – 2023
- The COVID-19 pandemic papered over endemic problems, and market softening
  - Marking the end of an extended period of growth, including a last-ditch factor of decline
- 2023 to today has continued a marked, sharp decline
  - Premiumization is an unsustainable mirage
  - New consumers started finding wine less often, later, and less frequently as wine became more expensive

It's not an oversupply, but a deficit in demand

Consumers are returning to the familiar, like brands, regions and styles they know and love.

What’s about market trends?

The difference between hope and reality…

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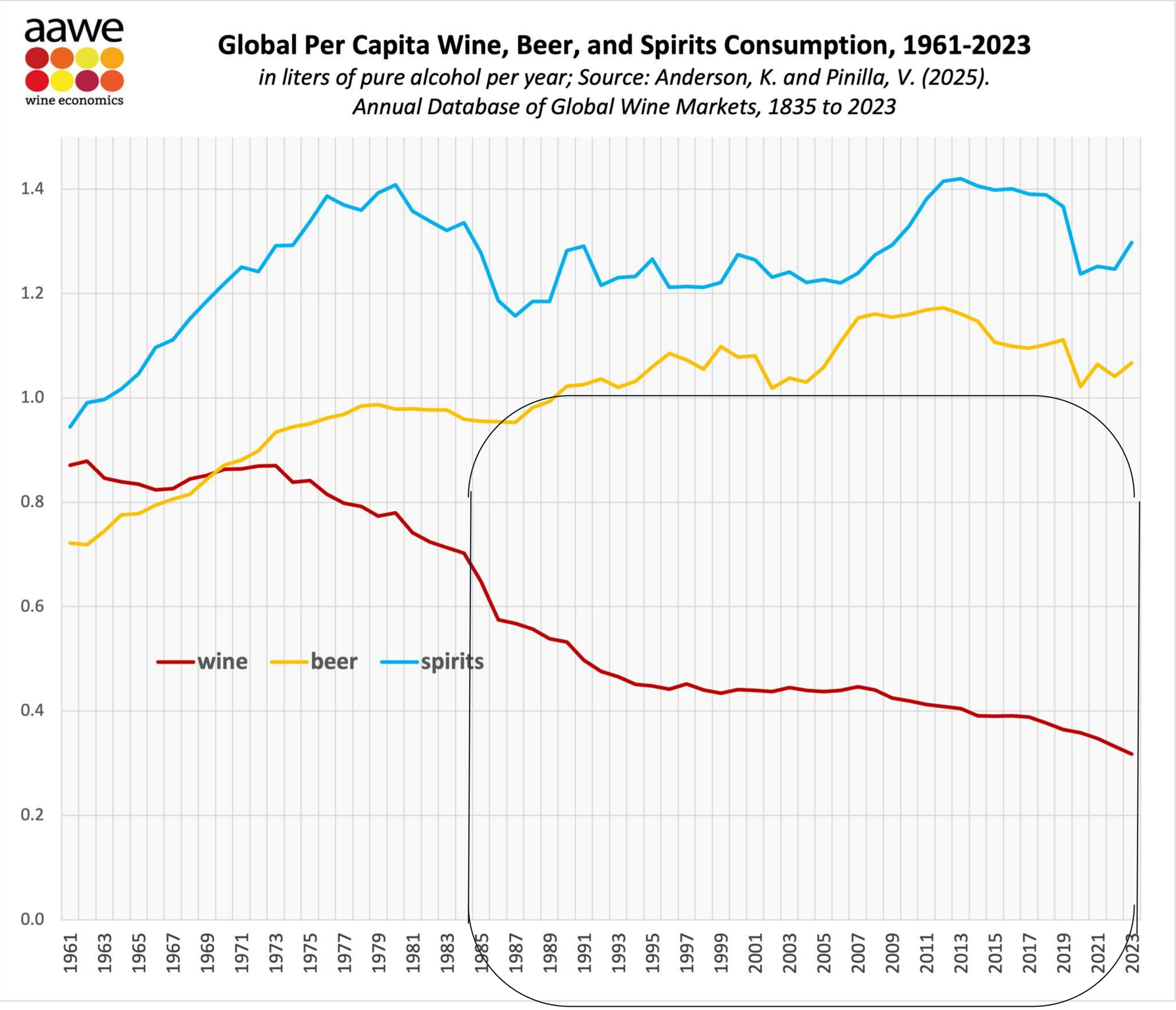
The new style/variety trend

- New Varieties?
- Natural?
- Social Conscience wines?
  - Biodynamic
  - No/Low Alc
- What is growing?
  - Rosé, SB, PG growing most in different areas
  - White blends and Functional wines, from small bases

And 1993-2023 is not all bad…

More people discovering wine in more moderate consumption is just what we have been prescribing for decades!



Conclusions

AKA - How wine deals with all this

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- The 'premiumized' wine category masked the underlying decline in the wine market
  - Using the 'top end' to lead the wine market is analogous to the 'tail wagging the dog'.
  - Growth is found through successfully generating streams of new consumers
  - Focus on wine appeals that are big, familiar, and local

Solution #1 - Wine needs to recreate an on-boarding solution.

Welcoming and engagement have been rhetoric for decades. Actions have to emulate language to build connection for wine to attract new customers

Conclusion 2

AKA - How wine deals with all this

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Solution #2 - “Aim to increase the proportion of large, popular and local wine producers as a way to appeal more to community”

Wine has an ambiguous image based on decades of fragmentation. New consumers have neither an idea of what to expect, or how it fits their lifestyle. Create consumption occasions that match modern consumers.

Be the Change in Wine Business

SSU

WINE BUSINESS INSTITUTE

- Our alumni contribute to a ~$400 billion industry.
- US-first program to offer a wine business specialization, in the 'Silicon Valley of the Wine World'
- Our BA in (Wine) Business Administration produces graduates who make decisions based on evidence.
- Specialized faculty with expertise & years of professional experience
  - We apply cutting-edge research in current business cases.
- Our graduates lead wineries, promote innovations and initiate change for a global industry.

"Join Wine Business and learn to crush your professional goals"

Select Committee on the CA Wine Industry - Spring 2026 Hearing

California's Wine Industry Resilience and Renewal: Charting a Path Forward

Ben Montpetit, Professor and Department Chair, Viticulture and Enology, UC Davis

Economic Output is at Risk

- Grape and wine contribute a total of **~$320 billion** to the U.S. economy, almost 1% of the GDP, providing **~1.75 million jobs** (WineAmerica).
- **California grapes and wine generate ~$85 billion** (26%) of the total U.S. economic activity, providing jobs, tourism, taxes and enhancing communities (Appendix 1).
- In terms of agricultural exports, California wine ranks as the **No. 4 export product** (CDFA).
- When looking at **total cash receipts**, grapes rank as the **No. 3 commodity**, surpassed only by **Dairy Products/Milk** and **Almonds** (CDFA).
- California is the **4th largest producer in the world,** with production volumes of **>200 million cases**.

Factors Threatening the Industry

The California grape and wine sectors are being **severely challenged** by grapevine diseases, extreme weather events, water, labor, tariffs, and changing consumer behaviors. The pressure is visible with Bronco, Constellation Brands, Delicato, Duckhorn, Foley Family Wines, Gallo, and Jackson Family Wines all **announcing closures and/or layoffs** in the last year.

Within the purview of the Department of Viticulture and Enology:

- **Weather volatility** is raising year-to-year risk in the vineyard, as more extreme conditions and ongoing **drought pressure** increases **fires**, the need for water-use efficiency, and better vineyard management options.
- Vine health pressures are escalating, with **emerging disease challenges** such as Grapevine Red Blotch virus, combined with trunk diseases, mealybug, and Leafroll viruses that shorten vineyard longevity, alongside persistent threats like Pierce's disease.
- Layer in labor scarcity and **rising farm-labor costs** plus tightening water constraints, and financial sustainability is being threatened.

Solutions to these complex problems - smoke exposure to emerging grapevine viruses - will be similarly complex and require innovation and years of concerted research efforts that the industry itself cannot perform.

California Has a Superpower and State Investment is Critical

California has **world-class universities** with departments focused on the grape and wine industry at CSU Fresno, Cal Poly San Luis Obispo, and the University of California, Davis.

UC Davis Viticulture & Enology (V&E) is widely recognized as the global leader, ready to innovate across viticulture and enology to strengthen the profitability and competitiveness of California grape growers and wine producers. For example, UC Davis V&E with six partner institutions recently developed a roadmap to address Grapevine Red Blotch Disease (Appendix 2), but we lack a mechanism to pay for this needed research.

The issue is that this V&E focused educational and research infrastructure is not adequately funded and is unable to respond at the scale or duration needed to achieve success.

1. There are **no state or federally funded grants to support enology** research.
2. The American Vineyard Foundation (AVF) is a non-profit organization that funds research across the U.S. for the grape and wine industry using **voluntary contributions** from industry partners. **AVF provided $1.3M in funding in 2016, in 2025, it was $850,000**, with UC Davis only receiving a fraction of these funds.
3. The PD/GWSS Board's Research and Outreach Program is funded by a special assessment **paid by the California winegrape industry**. Awarding ~$2.0M each year, it is commendable that the industry is investing in this research, but the **amount of funding is limiting and addresses a narrow set of issues**.
4. Viticulture research receives state and federal funds with awards spread across wine, table, and raisin grapes—and often across multistate priorities—diluting California-specific impact. **Consider that corn received 4X as much funding (FY 2020-2024) as compared to grapes (**NIFA USDA Data Gateway**). Corn provided $50 billion in direct economic output in 2024 (**National Corn Growers Association**), which is ~2.5X less than grapes.** Together, this represents an order-of-magnitude mismatch between what public monies are invested vs. economic returns.

State investment will be critical to produce the two things that can provide industry resilience and future growth:

1. **People:** workforce development is needed to provide the individuals with the skills, talent, and leadership to navigate these issues.
2. **Knowledge:** research and innovation is needed to mitigate the impacts of these various issue.

Without investments to build and maintain California's educational and research backbone, **California will be trying to solve 21st-century challenges with 20th-century capacity**, and any recovery strategy will fall short of what the industry and California farming communities need.

What is needed

Stable, multi-year funding mechanisms (e.g., 3 – 5 years) for California institutions that support both viticulture and enology research. Funds need to be at a level appropriate for the complexity of the problems being addressed and capable of supporting all associated trainee, equipment, and project costs. For example, these would be of the size and duration of NSF, NIH, or USDA SCRI grant mechanisms.

Appendix 1: California Economic Impact Study 2025

Text and Data from Wine America: https://wineamerica.org/economic-impact-study-2025/california-wine-industry-2025/.

The wine industry generates close to $84.51 billion in total economic activity in the State of California, dramatically illustrating that wine is the ultimate value-added beverage. The broader economic impact flows throughout the state, generating business for firms seemingly unrelated to the wine industry. Real people, with real jobs, working in industries as varied as farming, banking, accounting, manufacturing, packaging, transportation, printing, and advertising depend on the wine industry for their livelihoods.

Reach

The California wine industry includes a total of 4,608 wine producers[1] as well as 570,000 acres of vineyards.

Job Creation

The California wine industry directly employs as many as 190,513 people and generates an additional 99,921 jobs in supplier and ancillary industries which supply goods and services to the industry, and whose sales depend on the wine industry's economic activity. Ultimately, 393,821 jobs are created and supported by the wine industry.

Wage Generation

The California wine industry provides good jobs, paying an average of $69,500 in annual wages and benefits. The total wages generated by direct, indirect, and induced economic activity driven by the wine industry are $27.37 billion.

Tourist Activity

The California wine industry is a major magnet for tourists and tourism-driven expenses. California's "wine country" regions generate 42.27 million tourist visits and $8.07 billion in annual tourism expenditures, benefiting local economies and tax bases.

Tax Revenue

The California wine industry generates sizeable tax revenues on the local, state, and national levels. In 2025, the industry will pay nearly $6.50 billion in state and local taxes, and $7.77 billion in federal taxes for a total of $14.27 billion. In addition, the industry generates approximately $163.44 million federal consumption taxes and $984.47 million in state consumption taxes which include excise and sales taxes.

Appendix 2: Example, UC Davis V&E with six partner institutions recently developed a roadmap to address Grapevine Red Blotch Disease

Multi-Institutional Research & Extension Program for GRBV

Grapevine Red Blotch Virus (GRBV) poses a significant threat to the grape and wine industry. It is a viral disease that reduces fruit quality, disrupts ripening, and leads to economic losses. The virus spreads through insect vectors and nursery propagation material with a long latent phase in asymptomatic vines that promotes spread within and between vineyards. There is no cure or effective treatment for GRBV. Without increased and coordinated investment in solutions, growers, wineries, and nurseries will continue to face escalating costs, reduced grape quality, and diminished wine value.

Past research has generated valuable insights in GRBV. Information about GRBV and the emerging issues are summarized in a report led by the Pierce's Disease/Glassy-Winged Sharpshooter Board and published by the National Academies of Sciences, Engineering, and Medicine entitled Advancing Vineyard Health: Insights and Innovations for Combating Grapevine Red Blotch and Leafroll Diseases. Building from this report and input from industry partners, it is clear that the scope and complexity of GRBV requires a **coordinated, multi-institutional, and industry-directed research program**.

This proposal outlines the basis of a program designed to deliver practical detection methods, vineyard management tools, and long-term mitigation strategies, while also ensuring that the latest knowledge is rapidly transferred to industry stakeholders.

Proposal Development

Initial discussions about the worsening GRBV issue were prompted via engagement of US-based academic partners by members of the Robert-Jean De Vogue Research Center at Moët Hennessy. These discussions culminated in a two day in-person meeting involving research and industry leaders. Specifically, on August 14th, researchers from Cornell, Fresno State, Moët Hennessy, UC ANR, UC Berkeley, UC Davis, and USDA-ARS met to outline key knowledge gaps and target areas of research focus with industry benefit. On August 15th, these ideas were presented and refined through discussion with industry partners and other stakeholders in a meeting held at the UCCE Napa County office.

Program Goals

This program is structured around six interdependent goals, each addressing a critical gap in our understanding and management of GRBV through intensive research over the next 5 – 10 years:

1. **Guide and Implement Disease Mitigation (Budget: $1.0M)**
    - Develop management decision trees for growers and nurseries.
    - Establish training programs and regional pest control strategies.
    - Implement certification standards for nurseries and diagnostic companies.

2. **Develop Affordable and Scalable Detection Tools (Budget: $2.0M)**
    - Develop cost-effective diagnostics and field-deployable technologies (sensors, hyperspectral imaging) to detect GRBV in the 1st year of infection or early in the season.
    - Deliver scalable tools to commercial labs and end-users with training and validation

3. **Understand GRBV Impact on Grapevine and Wine Quality (Budget: $1.0M)**
    - Investigate how infection alters vine physiology, berry ripening, and fruit chemistry.
    - Generate best practices for adapting winemaking to infected fruit.
    - Establish thresholds of economic impact to guide vineyard replanting decisions across varieties and rootstocks.

4. **Understand Disease Ecology and Vector Biology (Budget: $2.0M)**
    - Map genetic diversity of GRBV and link to spread dynamics.
    - Study environmental drivers of virus transmission.
    - Identify management strategies that limit spread.

5. **Identify Vector Preferences and Plant Traits (Budget: $1.0M)**
    - Characterize vectors preference for grapevine species, including choice assays to develop push-pull vector strategies.
    - Identify traits linked to susceptibility and inform breeding strategies.

6. **Breeding for GRBV Tolerance and Curative Strategies (Budget: $1.0M)**
    - Expand breeding efforts aimed at virus tolerance.
    - Explore Muscadinia-based rootstocks for natural resistance.
    - Develop curative approaches, including RNAi-based strategies.

Benefits to the Industry

This program represents a necessary endeavor for the long-term health of the grape and wine sector. Key benefits include:

- **Reduced Economic Losses:** By providing growers with early season and first-year infection detection tools and decision frameworks, the program avoids costly replanting and yield loss.

- **Improved Grape and Wine Quality:** Understanding how GRBV affects viticultural and enological outcomes enables growers and winemakers to adapt and protect brand integrity.

- **Protection of Nursery and Vineyard Stock:** Certification standards and novel rapid detection tools safeguard the supply chain, increasing confidence in new plant materials, reducing infection rates of newly planted materials and protecting vineyard profitability.

- **Long-Term Sustainability:** Breeding and vector control strategies provide durable solutions that reduce future reliance on reactive and costly management strategies.

- **Knowledge Transfer and Training:** Workshops, best-practice handouts, and decision trees ensure that research outputs are directly actionable for nurseries, testing labs, growers, and wineries.

Program Structure, Timeline and Resources

A two-phase program will engage leading universities, research institutes, and industry partners to leverage expertise in plant pathology, viticulture, diagnostics, entomology, breeding, and enology.

- **Phase I:** the first 5 years will involve a large investment in people and infrastructure to initiate and drive research across all six goals. **The estimated cost of Phase I is $8.0M.**

- **Phase II**: in years 5 - 10, to sustain surveillance, detection, and breeding programs, ongoing investment will be required to continue progress on long term goals, in particular, grape breeding and curative efforts. **The estimated cost of Phase II is $5.0M** ($1M/year).

Resources will support PhD researchers, technical staff, equipment, operational expenses, and collaborative field trials across commercial vineyards and nurseries.

Funding Mechanism(s)

We will require significant investment by the industry to drive this research program at the funding levels needed for rapid initiation, scale up, and success. We will seek funding from all potential funding partners (PDGWSS, AVF, CDFA/USDA, NSF, and NIH) as appropriate across the six goals, depending on their future availability and individual funding priorities.

Call to Action

GRBV spreads silently and threatens vineyard investments and wine quality for all. Increased funding and partnership are needed to launch a large, coordinated multi-institutional research program to ensure rapid progress and deliver practical tools for the industry. Importantly, these efforts will provide knowledge, infrastructure, and partnerships that can further support advancements against other pests and disease, particularly leafroll disease.

We invite industry leaders to join us as partners—through financial support, provision of vineyard sites, active participation in knowledge exchange, and engagement of state and federal leaders to ensure continued existence and funding of state and federal research mechanisms. Together, we can safeguard the future of viticulture and ensure the resilience of the wine industry against GRBV.

If you would like to partner with us, ***please complete the survey at this link by October 31st***, which will allow us to directly follow up with you to discuss priorities and interests. If you have questions or comments for the working group, please include them in the survey or email Professor Ben Montpetit, Chair of the Department of Viticulture & Enology at UC Davis (benmontpetit@ucdavis.edu).

Proposal Development Working Group

California State University - Fresno
- Dr. Luca Brillante

Cornell University
- Dr. Marc Fuchs

Robert-Jean De Vogue Research Center
- Tatiana Svinartchuk
- Laurence Mercier

University of California Agriculture and Natural Resources (ANR)
- Dr. Monica Cooper
- Dr. Cindy Kron
- MacKenzie Patton

University of California, Berkeley
- Dr. Rodrigo Almeida

University of California, Davis
- Dr. Dario Cantu
- Dr. Liang Chen
- Dr. Mason Earles Professor
- Dr. Luis Diaz-Garcia
- Dr. Yen-Wen Kuo
- Dr. Ben Montpetit
- Dr. Frank Zalom
- Dr. James Keeler
- Dr. Maher Alrwahnih - Director FPS

USDA-Agricultural Research Service (ARS)
- Dr. Arran Rumbaugh
- Dr. Mysore Sudarshana

MARCH 2026

California Wine Grape Growers Under Severe Financial Pressures

By Chris Bitter, Ph.D.

California Wine Grape Growers Are Facing Two Principal Economic Challenges

- Grape demand and prices are deeply depressed
- Grape production costs have skyrocketed

Declining California Wine Sales Have Created a Grape Glut

- California wine sales have fallen by nearly 25% over the past six years (see Figure 1) — so wineries need far fewer grapes than they did in the past
- This has led to a severe grape glut
- An estimated 20% of the grape crop went unpicked in 2025 and over 1 million tons of grapes have gone unsold over recent years (Allied Grape Growers)
- The 2025 grape harvest was likely the smallest since the mid-1990s (see Figure 2)
- Excess wine inventory has exacerbated the grape demand slump; wineries were slow to reduce their production when wine sales began to fall
- I estimate that wineries were holding about 30% more wine inventory than needed heading into the 2025 harvest

The Grape Glut Has Led to Depressed Grape Prices and Vineyard Removals

- Grape prices are now lower than they were 10 years ago in some parts of California
- Prices on new deals are not high enough to cover most growers' farming costs
- Approximately 50,000 acres of vines were pulled between the 2023 and 2025 harvests and removal activity continues at a steady pace
- More vineyards will need to be retired unless California wine sales rebound
- This is painful for growers because there are few viable alternative uses of the land in some areas
- Vineyard values are also declining — falling by 20% to 50% since the peak in most regions

The Slump in California Wine Sales Has Three Primary Causes

1. U.S. wine consumption is declining

- Wine consumption has fallen by around 20% since 2019 (see Figure 3)
- The decline has been most pronounced for low-end wine — sales of bottles priced above $15 are still above their pre-pandemic level

2. California is losing market share in the U.S. to imports

- California wineries have been facing stiff competition from foreign wines entering the U.S. in both bulk and packaged formats
- Imports now represent about a third of U.S. wine sales by volume — up from just over a quarter 10 years ago (see Figure 4)

3. California wine exports have plummeted

- Wine export volumes have halved over the past 10 years (see Figure 5)
- Trade tensions have exacerbated the slump; exports to Canada — the leading buyer of American wine — fell 77% in value in 2025 due to provincial bans against American alcohol, representing a loss of $350 million to U.S. wineries

Rising Grape Production Costs Are Part of the Problem

- The cost to produce grapes in California has surged between 50% and 100% over the past decade — compared with a 37% increase in overall inflation
- Regulatory and labor cost structures have contributed to rising production expenses for growers
- The steep increase in costs puts California growers at a competitive disadvantage relative to imports — particularly those originating in the Southern Hemisphere where wine and grape production costs are substantially lower
- The problem is most acute at the lower end of the market — California is no longer competitive at producing below-$8 wine
- Foreign government assistance programs have exacerbated the cost differential and U.S. government incentives such as the Duty Drawback program may potentially be stimulating imports as well

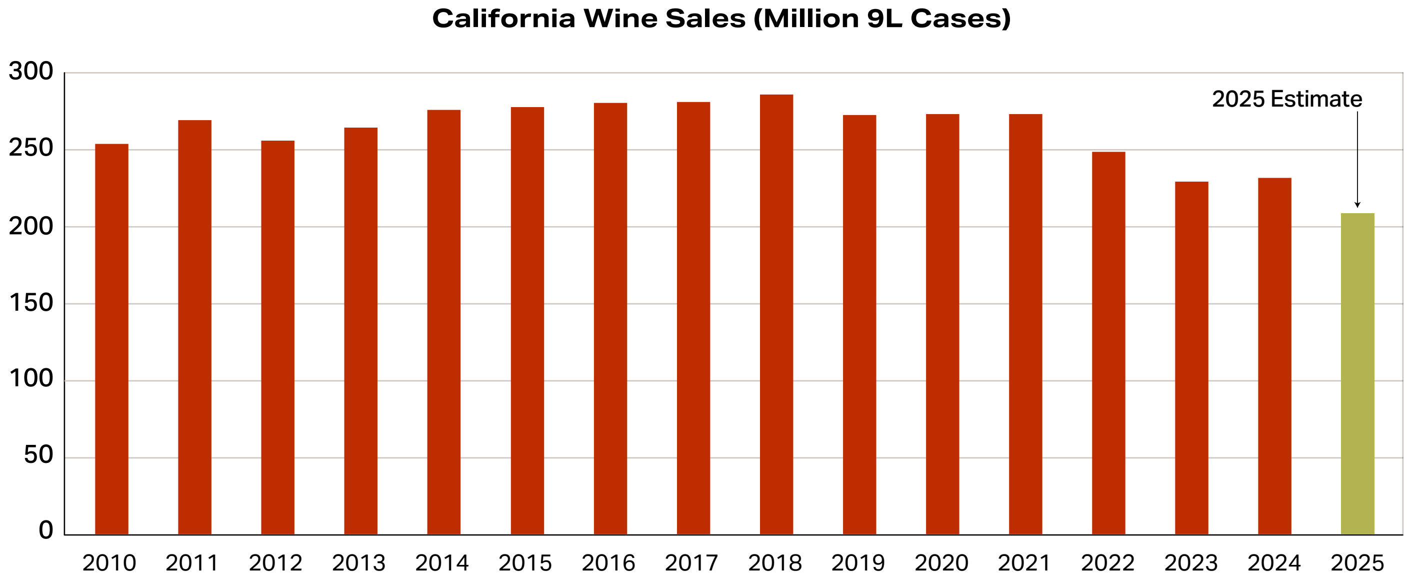
Options Under Discussion

- Review regulatory implementation and associated costs
- Examine trade and market conditions affecting competitiveness with imports
- Consider transitional support mechanisms for vineyard removal
- Evaluate barriers to replanting grapes or repurposing on fallowed land

Bio: Chris Bitter, Ph.D., is the senior wine and grape analyst for Terrain, a team of economists who provide expert insights to the customers of American AgCredit and other participating Farm Credit associations. Chris leads the publication of Winescape™, a report series that shares research and insights for the business of vineyards and wineries.

Figure 1

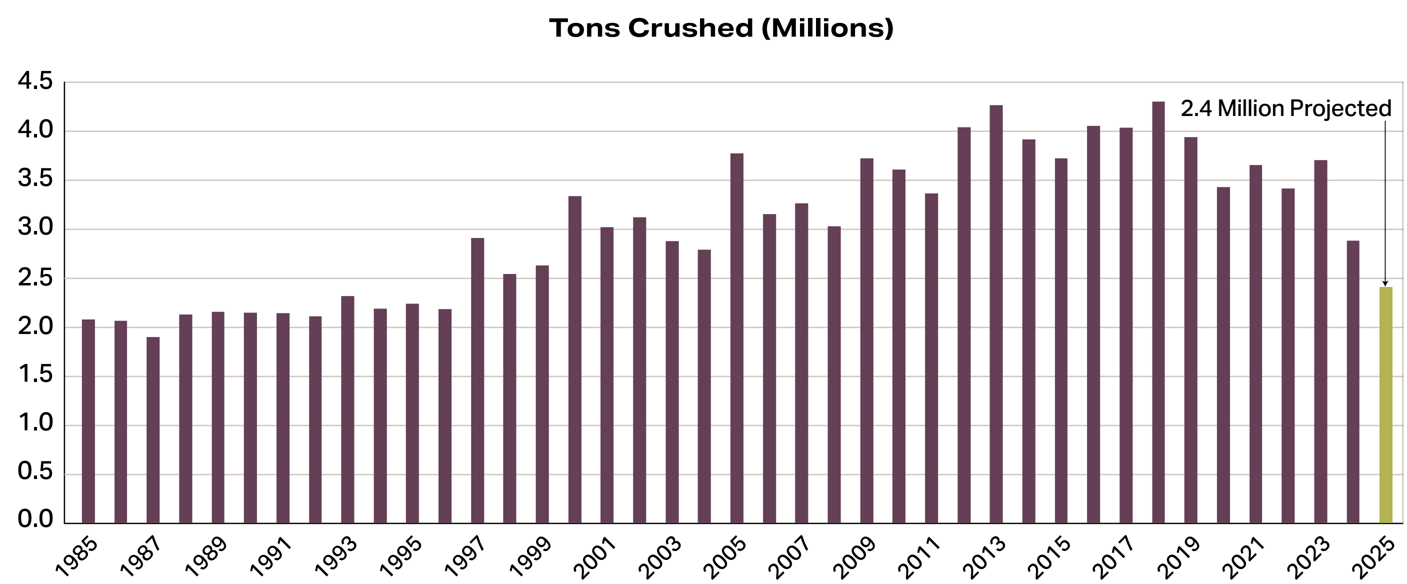
California Wine Sales Are Declining



Sources: Wine Institute, California Department of Tax and Fee Administration, Terrain

Figure 2

The California Grape Crush May Have Been the Smallest of the 21st Century

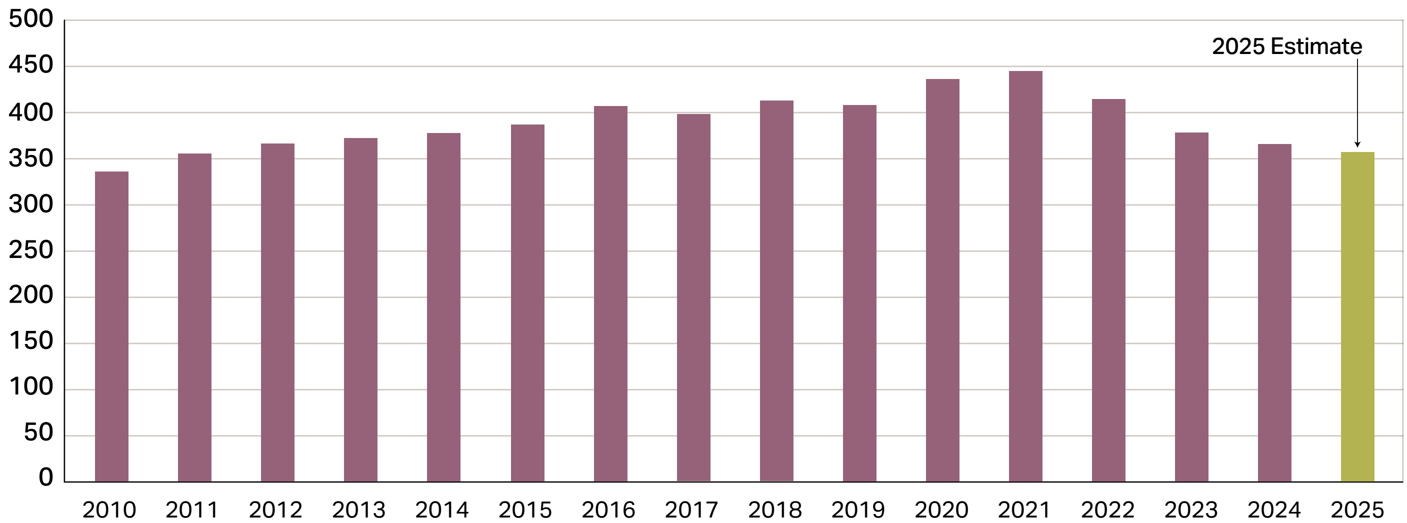


Sources: California Department of Food and Agriculture, Terrain

Figure 3

Americans Are Drinking Less Wine

U.S. Wine Consumption (Million 9L Cases)



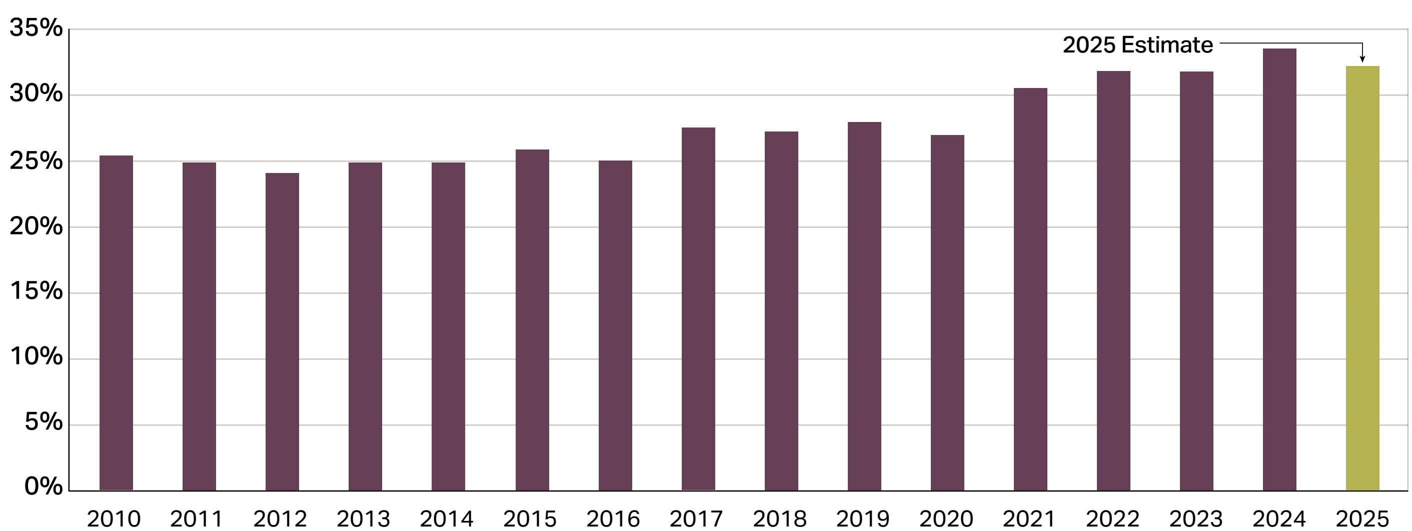
Terrain

Sources: Wine Institute, TTB, Terrain

Figure 4

California Has Lost Market Share to Imports

Imports Share of the U.S. Wine Market

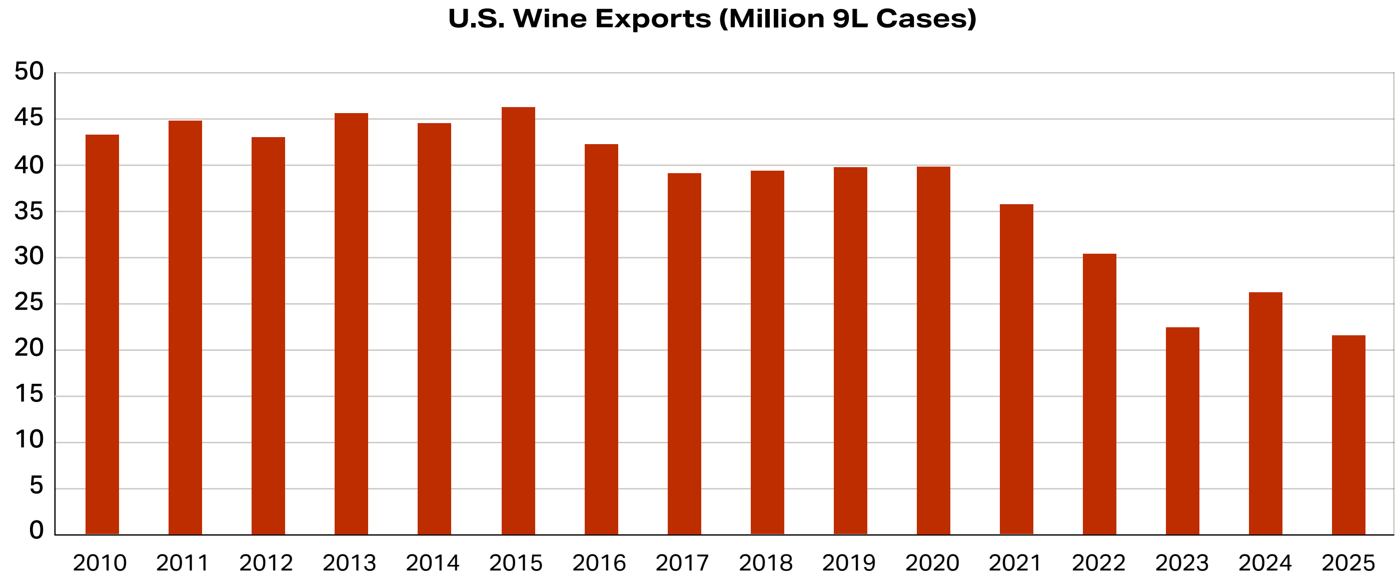


Terrain

Note: Excludes non-standard bulk wines imported from Canada
Sources: Wine Institute, TTB, USITC, Terrain

Figure 5

U.S. Wine Exports Have Tumbled



Terrain

Sources: USITC, Terrain

Good Afternoon Chair and Members,

My name is Michael Miiller, and I am with the California Association of Winegrape Growers. Thank you for holding this hearing and for the opportunity to share the growers' perspective on the challenges currently facing the wine industry.

If you speak with the average grower, they will tell you that farming grapes has always involved risk. A successful season depends on avoiding frost, disease pressure, extreme heat, wildfire smoke, and a long list of other potential perils. Growing wine is a risky endeavor.

But today growers are facing something very different.

Growers can experience a near-perfect growing season and produce exceptional fruit yet have no winery willing to purchase their grapes. In some cases, grapes are harvested and dropped directly on the ground because there is simply no market for those grapes. This situation is costing growers hundreds of millions of dollars annually.

Where the industry finds itself today feels like much more than a typical market correction. Many growers are struggling simply to stay in business, and far too many are being forced to exit the industry entirely.

If you are looking for a canary in the coal mine, look at regions like the Salinas Valley. Last year the Monterey County Vintners & Growers Association, which represented the region's growers and wineries, laid off all staff and effectively closed its doors. In a region with more than 250 years of winegrowing history, local Central Coast news outlets have reported story after story of vineyards and wineries shutting down in recent years. Unfortunately, similar stories can be heard across wine regions throughout California.

As growers look ahead, they are focused on two very simple goals.

- First, they are trying to weather the storm. They are doing everything they can to stay in business until the market stabilizes.

- Second, they want to emerge from this crisis into an industry that is sustainable in both a global marketplace and in a regulatory environment that recognizes the realities of that global competition.

Right now, the industry is undergoing a painful process of bringing supply and demand back into balance. In 2022 California had approximately 615,000 acres of winegrapes planted statewide. In August of 2025 that number was estimated to be closer to 477,000 acres.

To understand the scale of what growers are experiencing, it helps to look at a few key data points.

- Since 2023, nearly 100,000 acres of vineyards have been removed, with a call for another 40-50,000 to be removed this year.
- The 2024 harvest totaled 2.9 million tons, the lowest harvest in 20 years.
- The 2025 harvest figures will be released tomorrow, but are projected at around 2.4 million tons, which would make it the smallest harvest in 30 years.
- Over the past three years, at least 1.3 million tons of grapes have gone unharvested because there was no buyer. That represents more than $1.3 billion in lost farm revenue, or roughly $433 million per year.

To put that data into perspective, that loss is roughly the equivalent of nearly one billion bottles of California wine that never had the chance to be poured, shared, or toasted.

These numbers reflect a massive effort by growers to reduce supply and restore balance to the market. But removing vineyards is not a simple or inexpensive process.

There are significant costs associated with taking out a vineyard. Once vines are removed, growers must determine how to dispose of the material. Burning is often not feasible due to air quality restrictions. Markets for chipping and mulching are limited, and composting can be extremely costly.

As a result, some growers simply cannot afford to remove vineyards and instead abandon them. Those abandoned vineyards create serious risks for pests and diseases that can affect surrounding farms and entire wine regions.

Even when vineyards are successfully removed, the future of that land becomes uncertain. If land sits fallow for too long, it may lose its agricultural designation. That means that replanting later may require new federal, state, and local permits that are costly, or in some cases impossible to obtain.

To better understand things, CAWG partnered with Allied Grape Growers and several regional wine organizations to commission a statewide vineyard acreage report from Land IQ. This work is helping growers make more informed decisions about vineyard removals and potential replanting opportunities.

Even if growers successfully navigate this difficult market cycle, they will still face the challenge of competing in one of the most highly regulated agricultural environments in the world.

Growing grapes in California means operating under conditions that most of our global competitors do not face. For example:

- Foreign governments often subsidize wine production, allowing those wines to be exported to the United States at lower cost. At the same time, large volumes of imported bulk wine continue entering the U.S. market, putting downward pressure on demand for California-grown grapes.

- Some precision viticulture technologies that are widely used by growers in other states and around the world, and considered safe for workers and beneficial for the environment, are restricted in California. As a result, California growers face higher production costs than their domestic and global competitors.

- Water availability remains one of the most significant challenges facing agriculture, yet current policies make it difficult for growers to invest in groundwater recharge or small-scale water storage that could help prepare for drought conditions.

- When states such as New York and Oregon adopted agricultural overtime requirements, they paired those policies with tax credits to help farms absorb the additional labor costs. California did not adopt a similar offset, leaving growers to absorb those costs while continuing to compete in a global market. That flawed policy has reduced the take home pay for our workers causing them to get second and third jobs.

- Finally, we need to remind consumers that wine is an agricultural product. In California, We Grow Wine. Strengthening the connection between consumers, local wineries, and the farmers who grow the grapes is essential to sustaining this industry. Efforts that reinforce the "farm to fork" and "vine to glass" connection can help rebuild support for California wine, and we appreciate that Senator Laird has introduced legislation aimed at strengthening that connection.

Chair and Members, I recognize this is only a brief overview of a very complex set of challenges facing winegrape growers today.

But if you drive through California's wine regions today, you can see the crisis unfolding, vineyards waiting to be pruned, fruit still hanging on the vines, and entire vineyard blocks being pulled out of the ground. Behind every one of those vineyards is a farm family trying to decide whether they can hold on for one more year.

Thank you, and I would be happy to answer any questions.

AGG Estimates

CA winegrape acres as of:	Non-Bearing	Bearing*	Total or Standing
Harvest 2022	55,000	484,000	539,000
Harvest 2023	58,000	483,000	541,000
Harvest 2024	53,000	463,000	516,000
Harvest 2025	39,000	446,000	485,000
Harvest 2026	25,000	420,000	445,000

ESTIMATED GRAPE ACREAGE [1 2]

Type	2022	2023	2024	Percent Change
Table	127,000	125,000	120,000	-4.0
Bearing	120,000	120,000	115,000	-4.2
Non-Bearing	7,000	5,000	5,000	(NC)
Wine	615,000	610,000	590,000	-3.3
Bearing	575,000	570,000	550,000	-3.5
Non-Bearing	40,000	40,000	40,000	(NC)

ACREAGE REMOVAL:

Here are estimates of removals over the last three years:
2025: 38,000 acres (from Land IQ)
2024: 37,500 acres (AGG Estimate)
2023: 16,500 acres (AGG Estimate)
Another 40,000-45,000 acres will need to come out between 2025 and 2026 harvests.

This is a total of 132,000 acres have been or will be removed since 2023.

GRAPES UNHARVESTED:

Estimates for grapes grown for sale, but left unpurchased, for the last three years:

2025: 600,000-700,000 tons
2024: 500,000 tons
2023: 200,000-300,000 tons

This has been a total of at least 1.3 million tons of grapes over the last three years. That's valued at more than $1.3 billion or an average of $433 million annually.

The math --

Typical industry conversion:

- 1 ton grapes ≈ 150 gallons wine
- 1 gallon ≈ 5 bottles

So:
1.3 million tons × 150 gallons = 195 million gallons
195 million gallons × 5 bottles = 975 million bottles
This means:
1.3 million tons = 975 million bottles

Crush Report Since 1984

Year	Tons
1984	1,824,287
1985	2,067,501
1986	2,054,171
1987	1,889,945
1988	2,116,604
1989	2,143,910
1990	2,135,134
1991	2,129,259
1992	2,096,744
1993	2,305,228
1994	2,177,215
1995	2,227,075
1996	2,172,381
1997	2,893,321
1998	2,527,055
1999	2,616,831
2000	3,318,507
2001	3,005,958
2002	3,104,581
2003	2,863,796
2004	2,774,941
2005	3,756,391
2006	3,136,317
2007	3,247,504
2008	3,014,769
2009	3,703,031
2010	3,588,985
2011	3,346,953
2012	4,018,237
2013	4,245,852
2014	3,894,397
2015	3,705,320
2016	4,031,571
2017	4,015,792
2018	4,281,112
2019	3,919,887
2020	3,413,575
2021	3,634,307
2022	3,396,853
2023	3,684,832
2024	2,865,581

Legislative Brief

Presented to: The Senate Select Committee on Wine
Date: Thursday, March 12, 2026
Presented by: GinaLisa Tamayo, Board President, Family Winemakers of California (FWC)

FAMILY WINEMAKERS of CALIFORNIA®

Who We Are

- The Backbone of the Industry: FWC represents 200 independent, family-owned wineries.
- Small Business Scale: Over 90% of our members produce fewer than 5,000 cases annually.
- Economic Drivers: These businesses provide essential local jobs and are the primary economic engines for California's rural agritourism corridors.

The Crisis – Accummulation

- Independent wineries are not facing a single "bad year"; they are facing the compounding weight of global trade volatility, climate-driven disasters, and an ever-expanding regulatory web.
- The 2020 Impact: Many members lost an entire vintage to smoke taint (August Complex, Glass & LNU Lightning Complex fires) while simultaneously seeing wholesale markets collapse.
- Market Vulnerability: Small wineries lack the private equity backing or massive legal departments required to weather the storm of sudden market shifts.

"Paperwork Tax"

- High Barrier to Entry: Staying "legal" in California often requires hiring outside consultants costing $20,000–$40,000 annually before a single bottle is sold.
- The Burden: Managing the CA Bottle Bill expansion, Stormwater permits (which often conflict with county rules), Labor mandates, Air Quality requirements, and rising permit fees.
- The Result: A two to five person team is forced to spend more time on compliance rather than growing their business.

Our Policy Asks

Streamline & Modernize (CDFA Report Action)

- The Background: The CDFA invested six figures into a study identifying "Transformational" opportunities for modernization.
- The Ask: Immediate implementation of these findings. We need a "Tell Us Once" unified reporting portal to eliminate redundant data entry and administrative waste.

2. Fund Innovation & Vineyard Health

- *Red Blotch Disease:* Dedicated state funding for research to combat Red Blotch, which threatens long-term vineyard yields and vine health.
- *Alexander Valley Recharge:* Funding for innovative, local groundwater solutions that protect both water reliability and local species conservation. (see handout w/ project details)

Proactive Steps

Despite these hurdles, FWC is moving forward. We are currently finalizing our plan for the **2026 Family Winemakers Month (August) campaign** to drive consumer awareness and celebrate the vital role small, independent producers play in California's identity.

Scan to learn more about Family Winemakers Month

admin@familywinemakers.us

www.familywinemakers.us

DRY CREEK RANCHERIA
BAND OF POMO INDIANS

BACHAND & ASSOCIATES

SONOMA RESOURCE CONSERVATION DISTRICT

Sonoma Water

Jackson FAMILY WINES

ABUNDANCE AG ENGINEERING

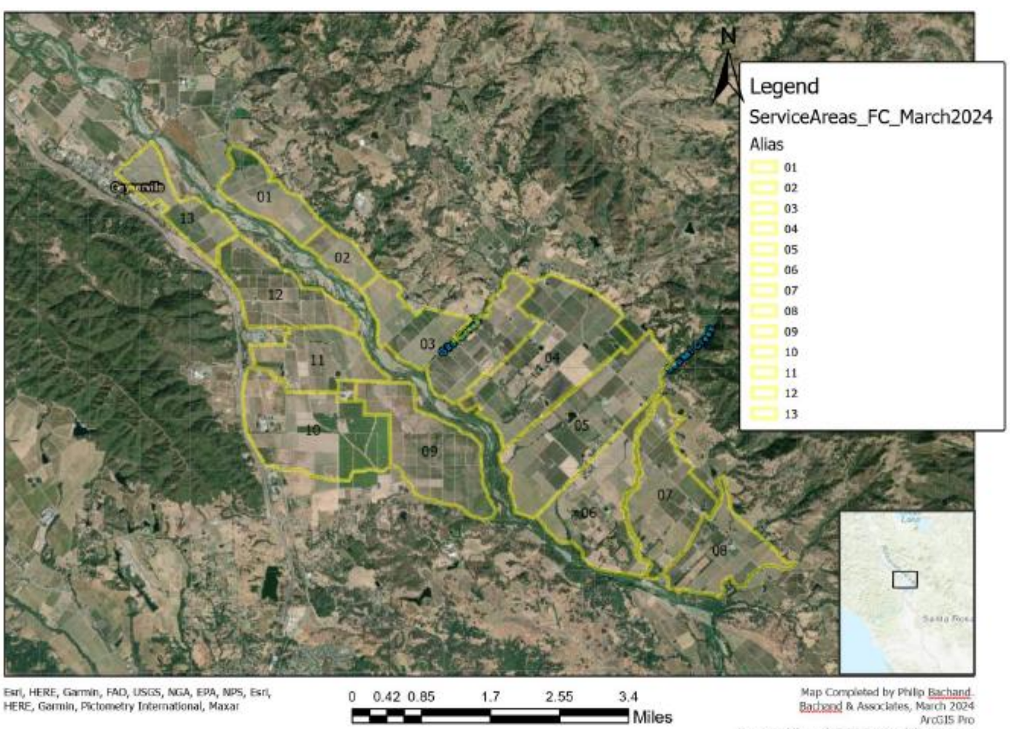
ALEXANDER VALLEY ON FARM RECHARGE INITIATIVE

DESCRIPTION:

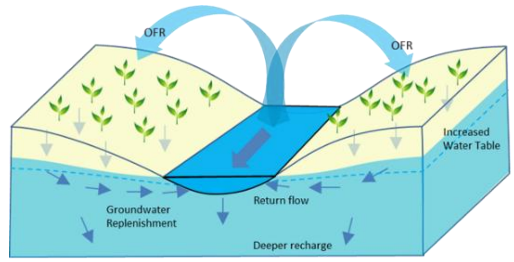
- Capture high flow from November through March.
- Develop 13 Service Areas, determined by natural features (e.g., creeks, streams) and built features (e.g., major roads, highways)
- Each Service Area maintains infrastructure to capture and distribute high flows onto participating farmlands.
- Shallow infiltration wells will capture Russian River underflows and, through a series of pumps and pipes, convey that water to partnering landowners.
- The Dry Creek Rancheria Band of Pomo Indians is responsible for administering the Department of Water Resources grant.
- A governance group will be developed to oversee operation and management of the OFR Initiative.

GOALS & OBJECTIVES:

- Increase water availability and reliability by:
  - ✓ Replenishing shallow and deeper groundwater basins.
  - ✓ Mounding groundwater to increase baseflow back to the Russian River during the late summer and early fall.
  - ✓ Increasing soil moisture during the winter to reduce deeper groundwater pumping.
- Increase soil moisture during the winter to increase vineyard productivity in the spring and delay/reduce the need for summer irrigation.
- Improve local and downstream late-season RR baseflows beneficial to salmonids.
- Increase seasonal groundwater storage and raise the groundwater table thereby improving local and downstream dry season base flow conditions.



Alexander Valley On Farm Recharge



Overview: the project will divert high flows from the Russian River and deliver that water across the Alexander Valley to partnering farmlands to replenish the local aquifer.

- **High flows**: November through March and when Russian River at the Geyserville USGS stream gauge are above a threshold flow (cubic feet per second).
- **Diversion**: with water rights from State Water Board and through collection/infiltration wells along the river along with necessary filters and pumps.
- **Vineyards:** 2.5 feet of water delivered to participating properties through drip irrigation system and/or overhead frost system.

Pilot Studies: three landowners are conducting pilot studies to demonstrate proof of concept.

- **Design**: multiple recharge blocks and control blocks, along with lysimeters, monitoring wells, and ERT to monitor groundwater flow. Some recharge blocks receive water earlier/later in the seasons
- **Data:** Landowners are collecting data on mold, leafing, labor, grape quality, and wine quality. Engineers are collecting data on groundwater movement.
- **Time Frame:** two years, Nov through Mar of 2024/25 and 2025/26.

Buildout & Funding Needs:

- **Buildout Master Planning & Permitting:** The project area includes ~2800 acres of vineyards across ~5,000 acres broken into 13 "service areas." Permitting activities is completed for the entire 13 service areas.
- **Phase 1 Construction Activities:** Construction activities are currently underway. Phase 1 will allow ~ 1,000 acres of vineyards in 5 service areas (#2, 4, 9, 11,12) to begin recharge activities. Goal is to apply 2.5-feet of water, or 2,300 AFY.
- **OpX:** *Energy is by far the largest cost, estimated at ~$110/AF*. This is the average cost of moving water across the entire project area - not just the cost for running drip on each farm.
- **CapX**: Dry Creek Rancheria received grant money from CA Dept of Water Resources and the Dept of Conservation. *Continuing to look for funding to continue past Phase 1.*
- **Operations**: Ideally, the Alexander Valley Water District will manage operations of the OFR. District formation is in process with LAFCO.

VISIT Napa Valley

TOURISM UPDATE

CALIFORNIA SENATE SELECT COMMITTEE ON CALIFORNIA WINE INDUSTRY

MARCH 12, 2026

VISIT Napa Valley

The official destination marketing and management organization for Napa County. We promote the region as an attractive travel destination and enhance its public image as a dynamic place to visit, live, and work.

Vision

Elevate Napa Valley as the world's premier wine country experience.

Mission

Promote, protect, and enhance the Napa Valley destination.

NAPA VALLEY TOURISM

VISIT Napa Valley

Napa Valley Welcomed a Total of 3.7 MILLION Visitors

90% DOMESTIC

10% INTERNATIONAL

62% DAY TRIP VISITORS

38% OVERNIGHT GUESTS

95% OF VISITORS ARE LIKELY TO RETURN

AVERAGE VISITOR MADE 3 TRIPS TO NAPA VALLEY IN PAST 12 MONTHS

Visitors to Napa Valley Spent $2.5 BILLION Supporting Local Businesses

$541M RESTAURANTS

$830M RETAIL & WINERIES

$686M LODGING

66% OF SPENDING WAS GENERATED BY OVERNIGHT HOTEL GUESTS

$1.7 BILLION SPENT BY OVERNIGHT HOTEL GUESTS

$864 MILLION SPENT BY NON-HOTEL GUESTS

Napa Valley Visitor Economy Generated $107.5 MILLION in Tax Revenue for Community Services

PARKS & RECREATION

PUBLIC SAFETY

ROAD IMPROVEMENTS

AND MORE!

The Tourism Industry Supports an Estimated 16,000 Jobs in the Community

Visitor Spending on a Typical Day was $7 million

DIRECT VISITOR SPENDING INCREASED BY +13% VS. 2018

TAX REVENUE INCREASED BY 26%

VisitNapaValley.com/Tourism

Source: 2023 Visitor Profile & Economic Impact Report by Future Partners

TOURISM BENEFITS NAPA VALLEY

DEMYSTIFIED: TOURISM IMPROVEMENT DISTRICT ASSESSMENT (TID) & TRANSIENT OCCUPANCY TAX (TOT)

Visitors come to Napa Valley

Visitors stay in lodging property

Visitors leave Napa Valley

VISITOR PAID REVENUE $

Tourism Improvement District (TID):
a self-imposed assessment by lodging businesses on overnight stays

2%

Assessment revenue collected

74% of assessment goes to NVTC (Napa Valley Tourism Corporation)

NVTC contracts with VNV to produce county-wide tourism marketing

Inspiring visitation, growing TOT in each town, and driving positive economic impact on the visitor economy

26% of assessment stays in jurisdiction (1% collection fee)

Provides funds for town-specific marketing and events

Transient Occupancy Tax (TOT):
a county tax on lodging stays earmarked for each town's general fund

12% 1%

Tax revenue collected

TOT collected within town added to that town's general fund

Paying for community services and improvements such as police and fire safety, parks and recreation, infrastructure, road improvements and more

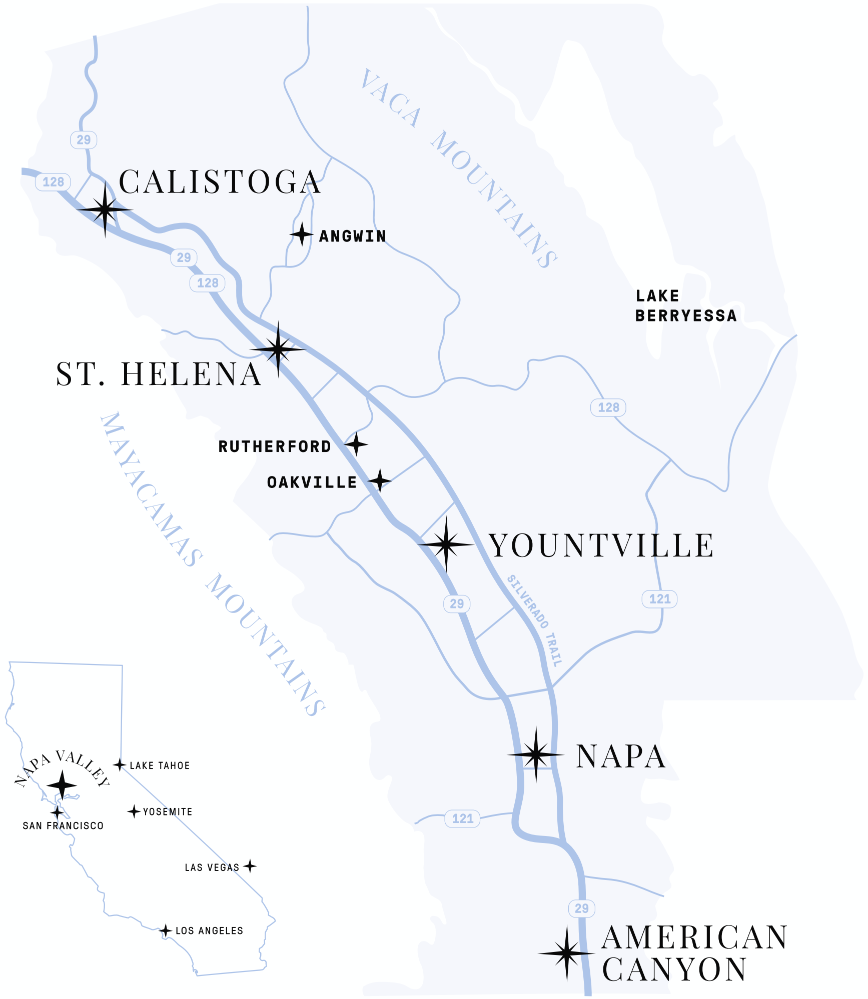
An additional 1% of TOT collected within all towns, except American Canyon, goes to support workforce housing

Revenue from the visitor economy improves resident quality of life in Napa Valley

NAPA VALLEY BY THE NUMBERS

VISIT Napa Valley

Hospitality Product



120

HOTELS

5,500

HOTEL ROOMS

By Contrast, San Francisco Has More Than 34,000 And Sonoma County More Than 8,300

150

RESTAURANTS

400+

WINERIES OPEN TO PUBLIC

plus **90+ Tasting Rooms**

16,000

TOURISM/HOSPITALITY JOBS

FY25 TRANSIENT OCCUPANCY TAX (TOT) BY JURISDICTION

VISIT Napa Valley

	Population (rounded to hundreds, per US Census Bureau 2023)	# Rooms (per STR, June 2025)	Total TOT Collected by Jurisdiction	TOT as % of General Fund (based on FY25 Budget)	TOT Growth vs 2011
AMERICAN CANYON	21,300	313	$1,301,442	7%	80%
CITY OF NAPA	77,500	2,871	$29,785,798	21%	202%
YOUNTVILLE	3,400	446	$8,447,040	59%	111%
ST. HELENA	5,300	292	$3,888,766	21%	179%
CALISTOGA	5,100	903	$12,310,000	54%	259%
UNINCORPORATED	21,000	752	$11,777,050	6%	144%
Total Napa County	**133,200**	**5,577**	**$67,510,096**		**148%**

TOT Revenue from Lodging Guests goes directly to each town/jurisdiction general fund.

NAPA VALLEY
FARMWORKER
FOUNDATION

Senate Select Committee on California's Wine Industry Spring 2026 Hearing

NAPA VALLEY FARMWORKER FOUNDATION – COMMUNITY IMPACT PANEL REMARKS

Thursday, March 12th, 2026

Good afternoon, Chair and Members.

Behind every bottle of Napa Valley wine is a farmworker whose skill, dedication, and family support make it possible. When they struggle, the impact is felt across our community.

My name is Sonya DeLuca, and I am the Executive Director & CEO of the Napa Valley Farmworker Foundation. Thank you for the opportunity to participate today.

For 15 years, our organization has supported farmworkers through education and professional development. As the first organization of our kind in the United States, we have served over 33,000 farmworkers in total and reach nearly 3,000 annually with high-quality training programs focused in viticulture & safety, adult literacy, leadership & management, mentorship, and family & community. These programs strengthen the agricultural workforce, increase wages and job stability, and help develop the next generation of vineyard leaders.

However, none of these opportunities exist without a thriving wine and grape industry.

California loses roughly 50,000 acres of farmland every year and in a region like Napa Valley, where agriculture defines both our landscape and our economy, protecting farmland means protecting the workers and families who sustain it.

Our agricultural workforce is concentrated, with 9,000 to 11,000 farmworkers, most of whom are Latino immigrants. They constitute just 5% of the total workforce but are vital to 99% of the gross agricultural production of the Valley. So, when the wine industry struggles, farmworker families are the first to feel the impact.

Over the past 20 years, Napa's workforce has shifted from mostly migrant labor to a year-round permanent workforce of families rooted in our community. Farmworkers are not only the heart and soul of our industry, but they are integral to the strength and prosperity of our community-at-large.

The value proposition of agriculture being the highest and best use of our land in Napa Valley has been critical to our region's success since 1968. However, what happens when economic pressures from declining wine sales to rising farming and production costs along with global trade uncertainty make it increasingly difficult for growers and wineries to remain profitable? The result is a negative trickle down to the workforce and our community.

When growers are struggling to barely hang on, they must look at their budgets and make hard choices. Labor is often the largest expense. When growers are forced to make difficult financial decisions, hours are reduced, layoffs occur, and training programs are paused. This results in lower take-home pay and added stress for hardworking farmworker families.

This is compounded by California's overtime laws that have also limited available work hours, further reducing income for many. For some families, this can be the difference between paying rent or falling behind.

As with other ag regions, Napa Valley faces ongoing labor shortages, so retaining skilled vineyard workers to farm our premium specialty crop is critical. Fewer hours and fewer opportunities for advancement push farmworkers to seek second jobs or leave the industry entirely. Losing these highly trained workers threatens vineyard quality, increases production costs, and accelerates mechanization in a region built on skilled hands and careful craftsmanship further threatening the economic viability of Napa Valley's billion-dollar wine industry.

These issues also compound existing community challenges related to affordable housing, health care, immigration, and overall economic viability – concerns that we unfortunately don't have time to address today.

What we have built in Napa Valley through the Farmworker Foundation is unique—not only in California, but anywhere in world. Farmworkers are respected, valued partners who work side-by-side with growers to sustain Napa Valley's globally recognized reputation for quality. Agricultural wages here are among the highest in the nation. If farmworkers are experiencing challenges in Napa Valley, those challenges are even greater across California.

Moving forward, supporting farmworker families will require thoughtful action. We encourage the State to consider:

- Providing targeted relief for growers facing severe market pressures
- Removing barriers to wine and grape sales
- Exploring wage loss support programs for agricultural workers
- Continuing to invest in bilingual workforce training and education through organizations like ours.

Investing in a skilled agricultural workforce is essential to California's future. This investment strengthens families and employers, supports higher wages and stability for growers, bolsters California's wine economy, and advances a more equitable workforce for immigrant workers across the state. We believe California has an opportunity to lead the way.

Thank you for the opportunity to share these perspectives today, and I am happy to answer any questions.