

*A Cost-Analysis of Vineyard
Redevelopment Including ROI
for New Vineyard and Short-
Term Fixes to Weather the
Market*

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VIMARK

VINEYARD MANAGEMENT

What am I trying to accomplish and why?

- Redevelopment?
 - Age
 - Grape Market
 - Disease pressure

- New vineyard?
 - Why
 - Location

When is the right time to redevelop?

Poor Yield

- Cost to farm
- Return
- Does it spread out labor cost?
- Is it fixable?

Grape Market

- Do you have a contract?
- When does it expire?

REDEVELOP

- Capital
- Timing
- **Have a plan**

Disclaimer

The following cost breakdown does not include salaries for management, office staff, mechanics, PG&E, vehicles, PPE, fuel, mortgage, property taxes, and any other expense that may come up throughout the year.

Your costs and price per ton may vary. The following is labor and materials.

Every year is different and mother nature will adjust your budget for you.

Do not call your management company and say Kris said.....

Redevelopment Process and Associated Costs

1. Permit – How much does a VESCO permit cost? The Fees range between \$436.00 and \$7,253.00 depending on the size, scope, and nature of the site and project. Save yourself a headache and have Cort at Munselle Civil Engineering handle this for you.
(munsellecivil.com)
2. Pull the old vineyard – Wire, stakes, end post, pull and pile plants. \$2339.52 per acre.
3. Soil Amendments - \$1350.00 per acre. (Most current block.) This can vary depending on your site.
4. Dozer – Rip 3 ways. \$750.00 per acre.

Redevelopment Continued...

5. Layout – \$200 per acre +/- depending on the size. Shari Woodall
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707-291-8534

6. Trellis Material - \$7,610.38 per acre.

8 x 5 spacing VSP. Hwy stake / Reebar / T-post / Reebar / Hwy stake. 2 fruiting wire (12 gauge), 4 catch wires and one drip wire (14 gauge). 10' end post. 3" round with wing.

7. Plants – 1089 plants per acre @ \$8.50 per plant. (Uber Vines from Duarte.)
\$9,256.50 per acre.

Redevelopment Continued...

8. Trellis Layout and Install - \$4,430.00 per acre.
9. Irrigation Materials – \$1129.00 per acre.
10. Irrigation Install – \$1398.32 per acre
11. Overhead Materials – \$1903.61 per acre.
12. Overhead Install - \$1485.75 per acre.
13. Plant plants - \$1,925.00 per acre.

Year 0-1. Cost per acre.

\$36,778.08

* Can be much higher depending on the site being developed.

Year 2. Cost per acre.

\$2,182.34

Return = \$0.00.

Year 3. Cost per acre.

\$3,482.00

Return = \$2612.50

Year 4. Cost per acre.

\$5468.65

Return = \$5,650.00 per acre.

Long Term Investment.

Years 0 - 4 Invested

\$47,911.07

Years 0 – 4 Return

\$8,262.50

Optimistic Approach



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Year 5 and Beyond...

1. 5 tpa @ \$2,500.00 per ton.
2. Farming cost of \$8,000.00 per acre.
3. $\$2,500.00 \times 5 = \$12,500$ per acre.
4. Net of **\$4,500.00** per acre.
5. Outstanding Capital Cost = \$39,648.57.
6. 8.8 years. (12.8 years total)

Short-Term Fixes to Weather the Market

I see this as a broad topic. I have to ask two questions.

What is the issue?

What defines a short term fix?

Open for discussion or Q&A.