

Moke Simon – District 1

Jeff Smith – District 2

Jim Steele – District 3

Tina Scott – District 4

Rob Brown – District 5

November 6, 2018

Representative Mike Thompson U.S. House of Representatives Washington, DC 20515

## Dear Representative Thompson:

We, the Lake County Board of Supervisors, are writing to you on behalf of the many Lake County winegrape growers who were adversely affected by wildfires this past summer.

Lake County winegrapes typically produce around \$75 million per year in revenue. This year, persistent exposure to heavy smoke produced by the Mendocino Complex Fires has resulted in substantial losses to winegrape growers in Lake County.

Due to industry concern over 'smoke taint' in Lake County grapes, many growers had their contracts canceled and were unable to find buyers for their grapes. Without a market, many growers were forced to leave their crops in the vineyard suffering a total loss for the year. In some instances, wineries were willing to accept smoke exposed grapes, but only at steeply discounted prices. In other cases, growers elected to custom crush their own grapes at additional cost and attempt to sell at a discounted price. However, since so little is known about smoke exposure in grapes and how it affects wine, it's entirely possible these growers will not only lose the revenue associated with the sale of their grapes but also the investment and storage costs associated with making bulk wine. The losses these growers may incur won't be known until one to two years from now. We know of significant numbers of growers in each category.

Lake County has suffered devastating, repeated natural disasters over the past 4 years. Each natural disaster greatly affects the tax base, infrastructure and economic stability of our rural county. Lake County relies on its various economic sectors to pull through these disasters. The secondary impacts to the Lake County agricultural industry as result of the 2018 Mendocino Complex fires have already impacted Lake County's economic vitality. We hope to mitigate further impacts with disaster relief funding for this important sector of Lake County's economy.

We understand Congress may take up a disaster assistance bill to aid the many agricultural producers and timber operators affected by devastating hurricanes that swept through the Southeast United States. We urge the inclusion of California winegrape growers in any disaster assistance bill that may move forward.

We urge your support for a disaster assistance package that assists Lake County winegrape growers as follows –

- Extend the Wildfire and Hurricane Indemnity Program (WHIP) to cover 2018 wildfire related losses in California, including losses attributable to smoke exposure. Also, WHIP eligibility should be adjusted to accommodate growers' losses that may not be fully realized until 2020, when bulk wine made from affected grapes is marketed.
- Promote greater utilization of federal crop insurance among winegrape growers by establishing clear, uniform standards around smoke exposure claims, and promote higher rates of crop insurance coverage among growers through a one-time subsidy to 'buy down' crop insurance premiums over a two-year period, coupled with an aggressive outreach and education program promoting the purchase of crop insurance coverage.
- Provide \$5.25 million in new funding to support intensive research on smoke exposure and winegrapes. Knowledge gained from this research can help limit future smoke exposure related losses.

We sincerely thank you for your leadership and attention to the needs of Lake County and winegrape growers throughout the region.

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| Jim | Steele  | , Chairman | and | District 3 | Supervis | or |