Vineyard-planning and coronavirus

The Coronavirus outbreak has thrown many vineyards into crisis, but visitor-based revenues will still underpin incomes for many in the long-term, making site-selection ever-more crucial, says Matthew Berryman.

A lot of viticulturists can't think further ahead than the next week – or even the next day – at present, as they fight to keep businesses afloat in these unprecedented times.

The sector, like the whole country, closed their doors as the nation went into lockdown, with seismic consequences for those relying heavily on visitors and events, such as tourism, tastings, restaurants and weddings.

The Covid-19 crisis is likely to spark some restructuring in the sector, with some business, sadly, unable to survive. Those that do, however, will need visitors more than ever once the country is fully mobile again. And this means being in the right location – particularly with regard to national and local planning policies – will be more vital than ever.

Those investing in land suitable for grape-growing have traditionally been forensic in their research when it comes to the agronomic aspects. They'll seek out south-facing ground, less than 300 feet above sea level, with a low frost risk and free draining soils. They'll avoid coastal areas and those exposed to strong winds, focusing on high average temperatures and long sunshine hours.

What they're sometimes less preoccupied with, however, is the local and national planning situation – the minutia of laws, guidance, precedent, politics and even personalities that can determine whether a building proposal gets the thumbs-up or is refused. And this is crucial because, when it comes to the commercial success of many enterprises, the potential to utilise and expand existing buildings and indeed erect new ones is almost as important as the quality of the land itself.

Trying to look further ahead to when the land market is fully functioning and active again, one legacy of the coronavirus pandemic – which will impact revenues at even the best-run businesses – will be to make would-be investors even more mindful of the high establishment/launch costs of a foray into the endeavour.

Land suitable for grape-growing was changing hands for between £12,000 and £25,000/acre in 2019, which equates to between two and three-times the value of agricultural land. If you're spending that sort of money, you need to future-proof yourself by getting the right land in terms of its buildings and infrastructure potential.

This is vital because many of those looking to develop large, resilient businesses and world-beating brands will still be targeting wine processing

and tourism, potentially involving everything from corporate entertainment and weddings to restaurants, tours and tasting facilities.

Such activities – though seemingly diverse – all have one factor in common: they can take the would-be wine entrepreneur directly into planning territory. And in the beautiful south east of England where I'm based and where many would-be land buyers have been focusing their searches, planning regulations can potentially thwart many an otherwise viable business plan.

The list of designations which might ring alarm bells is long – Green Belts, Areas of Outstanding Natural Beauty and Conservation Areas, for starters. And while some building work is allowed under 'permitted development rights' (which allow simplified planning applications), much depends on the attitude of the local authority, as well as the scale of the proposed work.

Such permitted development rights are fine if you're intending to put up a 'pure' agriculture building such as an equipment store or a machinery barn, but if it's intended for a wine-related activity such as tasting, tour-hosting, sales, storage or production, most councils will decree this as non-agricultural, rendering the rights unusable.

There is scope to make what's known as a 'Class R' change, allowing existing agricultural buildings to be put to a 'flexible commercial use' which can allow a shop, a restaurant/café or storage, but in many instances a full planning application will be needed.

Many planning officials want, certainly in principle, to support the wine sector – tourism, after all, is great for an area and vineyards are often big employers and a key part of the local produce movement, with all the associated cultural benefits. One would hope that as the sector works hard to get back on its feet following the coronavirus pandemic, planning authorities will be particularly sympathetic and supportive to their proposals.

I've argued for many years that permitted development rights should be made more user-friendly for wine producers, but in the meantime, identifying and acquiring sites that tick all the planning boxes will become ever-more essential and ever-more challenging.

For those wishing to enter the sector or expand (and there will be many keen to do so, despite the turmoil caused by Covid-19) becoming familiar with the planning system will become as necessary as understanding the intricacies of agronomy, the art of winemaking or the business of retail.