

# Is Buying a Vineyard a Good Idea?

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[The Vancouver Sun](#)

Published Mar 15, 2012 • 2 minute read

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## Article content

Back in the early 1990's Harry McWatters, the founder of Sumac Ridge winery, was told by all his friends and financial advisors not to buy vineyard land on the Black Sage bench. They thought he was crazy to pay the \$3,000 per acre. Fast forward twenty years and Harry was selling that same vineyard for over \$200,000 an acre, after making some very good wine from it.

Getting some good advice before you set sail is your first smart move. I can tell you some basic facts about the market. A planted vineyard is currently selling somewhere between \$100,000 and \$250,000 per acre. The Naramata Bench and parts of the southern Okanagan are on the higher side, and parts of the Similkameen cost less. But you do often get what you pay for, and inexpensive land may cost you more in the long run because of problems with the site.

If you plan on selling the grapes then you'll have to find a buyer. Buyers usually pay by the ton, and the price varies according to variety and quality. The average prices paid are published by the B.C. Wine Institute every year. Growers often count on producing about 4-6 tons per acre, and selling the grapes for \$2,000-\$3,000 per ton. But both prices paid for grapes and the tonnages grown can be higher and lower than the figures I've quoted.

So if you had a nice little 3 acre vineyard planted to a high quality grape and you cropped it at 4 tons per acre you could probably grow about 12 tons of grapes and sell them at \$2,500 per ton. That would create \$30,000 in annual revenue.

But of course you'll have various expenses to manage the vineyard, including things like labour, water and sprays. You can reduce expenses by doing some of the work yourself, but otherwise you could hire a grape grower to take care of it for you. Expect to pay somewhere between \$4,000 to \$6,000 per acre, or somewhere around \$15,000 for your 3 acres, per year.

So in theory you should make a small profit, but don't forget that actually you've signed up to become a farmer. So the weather is now your partner, and some of the severe frosts and winter freezes can be devastating. There are growers that have lost their entire crops in the Okanagan and Similkameen to winter kill in the last few years. No doubt these growers will tell you it's not a good idea to own a vineyard...

Add to that the fact that disease can cause serious problems, and the market for grapes can fluctuate too. There's a long list of other reasons that I could roll out to highlight the risks and dangers of owning a vineyard. It would probably put you off.

But what the analysis doesn't account for is that this is your dream. And who wouldn't want to own a vineyard, walk through the rows of vines with your dog at your side, tasting grapes in anticipation of the upcoming harvest. It's magical. And it can work financially.

Just make sure you select a very good vineyard site that minimizes the viticultural risks, ensure it is planted to a grape in high demand, managed by a skillful grower, and get a buyer lined up well before harvest.

Here's the link at the time: <https://vancouversun.com/news/community-blogs/is-buying-a-vineyard-a-good-idea>