

Virginia Wine Board
Wednesday June 08, 2011
Virginia Wine Marketing Office
Richmond, VA

Final Minutes

Present

Marcie Siegel	Rock Stephens	Dean Triplett
Luca Paschina	Mills Wehner	Jennifer McCloud
Diane Flynt	David King	Sec Todd Haymore

Absent

Ruth Saunders

Guest

Ann Heidig	Bill Tonkins	Patrick Cushing
M.C. Searson	Nick Martin	Bruce Zoecklein
Terri Beirne	M.B. Williams	Jim Barker
Amy Ciarametaro	Annette Boyd	David Robishaw, VDACS

Call to Order and Welcome Guests

Chairman Stephens called the meeting to order at 12:10PM. The Chairman welcomed the Board and welcomed David King back to the Board. He is filling the seat vacated by Bill Moses. The guests introduced themselves.

Approval of the Minutes from the May 04, 2011 Meeting

Prior to the meeting, David Robishaw sent the Board copies of the draft minutes. Dean Triplett moved to accept the minutes as presented, Diane Flynt seconded the motion, and with no further discussion, the minutes were approved.

Wine Board Financial update

David Robishaw prepared an updated financial report for the Board, which is included with the official minutes. The report included an update on the monies already sent and included an estimated balance to be spent. All monies will be placed in cost code 605 before the end of the fiscal year to be used in fiscal year 2012.

Report from the Virginia Vineyards Association

Bill Tompkins, president of the Virginia Vineyards Association (VVA) gave the report to the Board. The 2012 winter meeting will be held in Charlottesville and plans are already underway. The VVA is working with the Virginia Department of Game and Inland Fisheries on ways to try to control the deer population which is causing severe damage in the vineyards.

Report from the Virginia Wineries Association

Ann Heidig reported to the Board on behalf of the Virginia Wineries Association (VWA). The Vintage Virginia festival is over, and while the final numbers are not in, it appears the event was at least as successful as last year's. The VWA is waiting to hear from the USDA on their request for grant monies to form a cooperative. Finally, Ann has a report for the Board on the "Commonwealth Quality Alliance" which she will present later in the meeting.

Report from the Virginia Wine Council

Patrick Cushing from the Alliance Group reported for the Virginia Wine Council (VWC). The Council is working with all parties (VDOT and counties) on the TODS issue (Tourist Oriented Directional Signs). Road signage is very important to all wineries and the agricultural industry in general. The Council is working to make sure the laws are uniform across the Commonwealth. The Council is also working to pass language during the next General Assembly session to ensure the Board receives all the liter tax collected. Finally, the Council will be holding elections on June 20, 2011.

Teri Cofer Beirne from the Wine Institute updated the Board on the national scene. The Maryland Direct to Consumer bill will be taking effect July 1. It is also possible that direct shipping to consumers in Pennsylvania will happen in the near future.

Report from the Wine Marketing Office

Anne Ringwood Boyd updated the Board on the activities of the Wine Marketing Office. Annette prepared a large handout which is included with the official minutes.

Virginia Wine Sales – Annette prepared a statistical breakdown of Virginia wine sales which is included with the official minutes. Wine sales in Virginia are driven by sales at wineries, which is useful in planning marketing strategy.

Grape Harvest Report – the data collection has been completed. Amy Ciarametaro will have additional comments later in the meeting.

Matching Marketing Grant – the requests for proposals went out in April. There will be more on this later in the meeting.

Winery Guide – The WMO is still getting requests for Guides (94% shipped out). The WMO will review the mailing list to see where the guides are going.

Web site development – Phase 4 of the web site is for June 30, 2011. This will include a mobile version of the web site for all smart phone applications. The web site is currently experiencing over 1,000 visitors per day.

London Wine Fair – The overall traffic at this event was down but the quality of the attendees was higher. Independent wine shops have the potential to move a lot of wine. David King also attended the Fair and thought it was a good show.

Activities that are still ongoing – The WMO is continuing work on the strategic marketing plan, the North American Wine Bloggers conference, branding, FLITE tours, and the Sesquicentennial Winery Passport program. The Wine Marketing office has gotten approximately 25-30 comments from the industry on the decision to brand Viognier as “Virginia’s Wine”, with 70-75% of the comments positive.

Old Business

Grape Report

Amy Ciarametaro updated the Board regarding the Grape Report. As discussed in a previous meeting, the National Agricultural Statistical Service (NASS) did not have money to conduct the annual “Grape Report” so the Wine Marketing Office was asked to survey the industry and compile the data. The data collection is now complete. Since this was the first year the WMO completed this survey, plus the WMO had no historical data, some of the numbers may appear skewed. After a lengthy discussion, David King moved to use the data collected by the WMO with the disclaimer (1) the information collected was voluntary, (2) the data is accurate within a +/- of 5%, and (3) no data from the NASS was used in the report. Also, the Grape Report would not be printed but would be available on the web site. Marcie Siegel seconded the motion, and with no further discussion, the motion passed.

VDOT Funding

There was no report at this time

Enology Research Projects

During the March 30, 2011 meeting, 2 research proposals submitted for Board funding by Dr. Zoecklein were tabled for a future meeting to allow Dr. Zoecklein to update the Board on his projects. Prior to this meeting, Dr. Zoecklein provided the Board with updates and these updates are included with the official minutes.

Sensory Training for Commercial Winemakers - \$53,250

This proposal would be a continuation of a project funded during the last fiscal year. Dr. Zoecklein has already conducted 2 sessions at a total of 12 locations and approximately 130 people representing 120 wineries have attended both sessions. While the Board was hoping for higher attendance figures, Dr. Zoecklein was pleased with the numbers. Luca Paschina felt the sessions were very valuable. Dr. Zoecklein said there would be 2 more sessions this year, the second one sometime after harvest. After a lengthy discussion, Jenni McCloud moved to fund this proposal as presented, Dean Triplett seconded, and with no further discussions, the motion passed.

On-Line Wine Making Certificate - \$47,525

This proposal would be a continuation of a project funded during the last fiscal year. To date, Dr. Zoecklein has posted 7 modules on the Virginia Tech server with several more nearing completion. Once this project has been completed, there will be over 20 training modules available. The Board has several important questions to answer, including establishing a cost for taking these modules, how to collect the money, how to publicize the education, and the future relationship with Dr. Zoecklein and these modules. During a lengthy discussion, one

motion was made with no second, and another motion was made and ultimately withdrawn as the Board attempted to reach a consensus. David King and Luca Paschina will work on resolving some of these questions and report back to the Board at the August meeting. In the meantime, there was sentiment that despite some logistical issues, this was an important project. David King moves to accept this proposal with the understanding that all modules would be completed with this funding and that the Board would resolve the issues that were presented. Jenni McCloud seconded the motion, and with no further discussion, the motion passed with one dissent.

NEW BUSINESS

Wine Marketing Budget 2012

Annette presented the Board with her 2012 Budget proposal, which is included with the official minutes. The WMO has 4 goals that the Budget is trying to address.

Goal 1 - Drive traffic to wineries

Goal 2 - Create trade enthusiasm

Goal 3 – Build local, regional, national, and international media attention

Goal 4 – Target Northern Virginia to Baltimore corridor and North Carolina for expansion

Annette’s Budget was presented by category:

Staffing	\$209,450
Travel	10,000
Office	41,500
Wine Guide	184,500
Website	63,600
Trade Relations	200,000
Public Relations	158,000
Wine Library	12,000
Advertising	50,000
International Mkt	50,000
<u>Matching Grants</u>	<u>50,000</u>

TOTAL \$1,029,050

Unallocated 200,122

The Board discussed the line items in each of the categories. Based on the funding for each category, David King moved to accept the Budget Categories as presented. Marcie Siegel seconded the motion, and with no further discussion, the motion passed. Since it was extremely late, the Board will discuss some of the subcategories in more detail at the August meeting.

Marketing Grant Proposal Timeline

In April, the WMO sent out notices about available money for wine related marketing proposals with a June deadline for submitting a proposal. The proposals submitted will be presented at

the August meeting for the Board's review. Each proposal requires 3 partners, including 1 winery.

Second Round of Requests for Research Proposals

Chairman Stephens indicated that he has received approximately six more requests for funding. There will be a second RFP released soon and new proposals will be approved at the August meeting.

Virginia Tourism Corporation Web Licensing Agreement

The VTC would like permission from the Board to take basic winery information from the Wine Marketing web site to include in the VTC web site, eliminating the necessity for the VTC to recreate all this information. After a brief discussion, the Wine Marketing Office and the Board did not have any issues with this.

Commonwealth Quality Alliance Program

Ann Heidig from the Virginia Wineries Association (VWA) presented a report on the Commonwealth Quality Alliance Program. A handout was given to the Board and a copy is included with the office minutes. The VWA received a Specialty Crop Block Grant to create a wine quality program in Virginia. A technical committee was formed to create the guidelines for the technical analysis. A second committee was formed to establish the program's structure. Once the Commonwealth Quality Alliance (CQA) is launched, an operating committee will be formed to manage the process. The Board questioned the cost of the program for each winery and also the fact that the program would only include vinifera and would exclude many Virginia grown grapes. While the Board took no official action, there was a majority sentiment that the VWA needed to revisit some of their guidelines before launching the program.

Public Comment

There was no further public comment.

Next meeting and adjourn

With no further business, Mills Wehner moved to adjourn, Dean Triplett seconded, and the meeting adjourned at 6:40 PM.

Respectfully submitted,

J (Rock) Stephen, Chairman

David Robishaw, Secretary

