

**Virginia Wine Board
Monday, December 17, 2012
Wine Marketing Office
Richmond, Virginia
FINAL MINUTES**

Present

Mitzi Batterson
Diane Flynt
Secretary Haymore

Rock Stephens
Bill Tonkins

David King
Mills Wehner

Absent

Chris Blosser

Ruth Saunders

Luca Paschina

Guests

Chris Parker
Annette Boyd
Laurie Aldridge
Terri Cofer Beirne

Megan Pritchard
Steven Jack
Katie Hellebush
Ben Rowe

Amy Ciarametaro
M.K. Searson
Cindi Houtz
Jonathan Moore

Call to Order

Chairman Stephens called the meeting to order at 11:10 AM. The Chairman welcomed the Board and guests to the meeting.

Bill Tonkins moved to send the Board into closed session. Bill stated "Mr. Chairman, I move that this meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of consultation with legal counsel and for discussion and consideration of 3 research projects with the Office of Sponsored Programs at Virginia Tech as permitted by §2.2-3711.A.7 of the Code of Virginia. The following non-members will be in attendance to reasonably aid in the consideration of the topic: Ronald King, Virginia Department of Agriculture and Consumer Services, Office of Procurement, Steven Jack, Attorney for the Office of Attorney General, and David Robishaw, Board Program Manager" David King seconded the motion, and with no further discussion the motion passed and the Board went into closed session.

Mills Wehner moved to exit from closed session and the motion was seconded by Diane Flynt. With no further discussion, the motion passed. The Board reconvened in open session at 12:40.

Chairman John Stephens read the following statement.

"WHEREAS, the Wine Board has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and WHEREAS, §2.2-3712 of the Code of Virginia requires

a certification by this Committee of the Wine Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE BE IT RESOLVED the Wine Board hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Committee of the Wine Board.

A roll call vote of committee members certifying the committee only discussed matters approved for the closed session is as follows:

Bill Tonkins	AYE	Mitzi Batterson	AYE
David King	AYE	Mills Wehner	AYE
Diane Flynt	AYE	Todd Haymore	AYE
John Stephens	AYE		

David King made the following motion: The Board will pay the FY 12, 4th quarter Extension Support and Sensory Training courses bills to the Office of Sponsored Programs at Virginia Tech, minus their credits. The Board will draft a letter to the Office of Sponsored Programs, Virginia Tech, taking them up on their offer to review the On-line Winemakers course to see if the course meets Virginia Tech standards for on-line courses, and to determine, what if anything, it would take to upgrade the course to meet their standards. Additionally, a committee from the Board will meet with the Office of Sponsored Programs and Food Science department representatives to set up guidelines and expectations for any future projects. Mitzi Batterson seconded the motion, and with no further discussion, the motion passed.

Minutes

Prior to the meeting, David Robishaw sent out the minutes from the August 02, 2012 meeting to the Board. Mitzi Batterson noted that several names had been repeated on the guest list. David Robishaw will make the corrections. David King moved to accept the minutes as presented with the changes, Mitzi Batterson seconds, and with no further discussion, the motion passed.

Treasurers

Prior to the meeting, David Robishaw sent a copy of the financials to the Board. The financials included the budget for FY 13 along with current expenditures. A copy of the financial report is included with the minutes

Report from the Virginia Vineyards Association

Bill Tonkins gave the Virginia Vineyards report to the Board. Bill reported the VVA is moving forward on the program for the 2013 winter meeting and it looks to be an excellent program. The meeting will run from January 31 through February 2 in Charlottesville. The VVA will introduce the new enology extension specialist at the meeting. This year is the 30th Anniversary of the VVA and they will be presenting a lifetime achievement award to Bruce Zoeklein for his service to the industry. Work is proceeding on the Sustainable Workbook.

Report from the Virginia Wineries Association

The Virginia Wineries Association just completed their annual meeting and approximately 150 people attended. The VWA is moving ahead with the web site development for the Cooperative, with the ability to order wine from the web site. The VWA is accepting applications for the Governor's Cup competition. Plans are moving forward for the Gala to be held at the John Marshall Hotel. The VWA has 2 membership meetings scheduled for 2012.

Report from the Virginia Wine Council

The Virginia Wine Council is looking for several new members for their Board. January 17, 2012 is "wine and vine" day at the General Assembly, which is a good chance to interact with state politicians. There are several large issues expected to come up during this session of the General Assembly, including a debate on who is going to regulate the tasting rooms. If your tasting room is designated a restaurant, the Virginia Department of Health would be the regulating party, but if your tasting room remains designated as a "tasting room" it would remain under inspection by VDACS. The VWC helped reject the petition of a landowner that would require everyone be notified prior to any entity spraying chemicals. Other issues the VWC is watching are fire safety regulations, water quality legislation, the VWDC, changing the definition of sangria, making it easier to collect out of state sales data, contract wine making and monitoring potential changes in laws regulating craft breweries and how it might impact/affect the wine industry.

Report from Terri Cofer Beirne

Terri Cofer Beirne talked to the Board about shipping laws. She discussed what Direct Shipping laws are on the books in surrounding states.

Report from New Horizon Wine – Chris Parker

Chris started a company called *New Horizon* with the idea of promoting Virginia wine in the United Kingdom. In its first year, *New Horizon* imported 40 cases and has now imported over 30,000 bottles. Chris has targeted specific markets in the UK and worked with Stephen Spurrier to implement his plan. *New Horizon* is working closely with the Whole Foods in Kensington (UK) with their Virginia wine selections. Plans are already underway for the 2013 International Wine Fair in London. Chris and his company are trying to get in front of as many buyers and merchandisers on a daily basis as possible.

They are trying to promote wines that fit the UK/European taste profile. Chris plans to host 3-4 sommelier events, starting in London and perhaps get funding from the Board for these educational sessions. Chris sees the opportunity to grow the Virginia presence over the next 5 years. There are between 8-12 Virginia wineries being promoted in the UK.

Comments from Secretary Haymore

Secretary Haymore acknowledged the work Chris and *New Horizons* have done to promote Virginia wine in the UK. Secretary Haymore also mentioned the craft brewery industry has reached out to be a part of the Virginia Wine Distribution Company or at least get help in starting their own distribution system. The Mansion wine project is moving along, with 4 Central Virginia winemakers working at Barboursville to create a high quality wine. Secretary Haymore is very pleased with the outcome of the wine and is looking forward to using it to promote the Virginia wine industry. The wine will probably debut in May or June.

Report from the Wine Marketing Office

Annette distributed materials to the Board, which are all part of the official minutes.

Wine Sales

Wine sales at wineries are really growing and the WMO is waiting for the last quarter sales. At the same time, sales through distributors have experienced a slight decline, but the WMO expects sales to be up compared to last year. Some of the lost sales through distributors may be the result of increased out of state and international sales.

Marketing Budget

The WMO is on budget and moving along

Winery Guide

There will be 229 wineries in the 2013 guide. The Guide should be back from the printer January 2 and ready to go out shortly after that. The Guide includes "True to Our Roots" branding and also hard cider operations. The WMO is going to print 600,000 copies of the guide this year since the last couple of years the guide was not available after July. The WMO is continuing to review the distribution list to make sure the guides are going to the most advantageous locations.

Commercial Grape Report

The Commercial Grape Survey went out in December and the WMO have already had a significant number of surveys returned. The WMO is beginning to call wineries that have not responded requesting their data.

Virginia Wine Summit

The WMO reviewed the first Summit. The Summit sold out 2 weeks prior to the event. In planning for the 2013 Summit, the WMO will plan for 200 guests, up from the 150 for the 2012 summit. The event generated a significant amount of publicity, including more

than 30 articles written about the Summit. The WMO is very excited about the impact the Summit had on the sommeliers and restaurant owners and their opinions of Virginia wines. The Summit did go over budget but it was the first ever Summit and was a big learning curve. The planning is already underway for 2013 and is tentatively scheduled for early October.

Advertising

The WMO showed the Board several “general advertising” opportunities. The Board did not fund a specific line item in the WMO budget and we need to discuss that more fully at the next meeting.

Governor’s Cup

The WMO sent out 47 cases of Governor’s Cup wine and has gotten feedback from 23 recipients. As a result of this initiative, the WMO has developed a working relationship with the *Wine Enthusiast* magazine, which is a real positive. One of the *Wine Enthusiast* writers has already made a five day tour of Virginia wineries and there will be an article in a future issue of the magazine. The WMO has 17 cases of the 2012 Governor’s Cup wines in stock, some of which will be held for the seminar at the VVA winter technical meeting.

Matching Grants

The WMO gave the Board a recap of the current timeline for this year's matching Marketing Grants program.

Old Business

Strategic Plan

Annette gave the Board the report on the Strategic Plan, which was completed with the help of Diane Flynt. Annette suggested the Board, VWA, VVA, and others should meet annually to review this document. This is a rework of Vision 2015 and is a potential blueprint to guide the industry as it moves forward. Since this has been in the works for 2 years, Chairman Stephens pointed out the WMO needs to update some of the early information. The Board will review the Strategic Plan and give feedback to the WMO by January 7, 2013.

Timeline for Wine Marketing Office and Board activities

Prior to the meeting, David sent out the time line to the Board. Chairman Stephens reviewed the timeline, which is a starting point to schedule Board activities for the entire year.

New Business

RFP for Research

The RFP will be ready for distribution by December 21, 2012. The format will be the same as last year, with the Office of Procurement adding additional language requiring more detail on budgets in the proposals.

Funding Meeting

The 3rd quarter meeting will be the 2 day funding meeting. Tentatively, the Board will meet March 18 and 19, 2013 in Charlottesville.

VWA

Mitzi gave the Board 2 proposals for funding consideration: (1) Winery Resource Guide and (2) Salary and Benefits Survey.

For the Winery Resource Guide, many wineries have concerns on laws, taxes, working with governmental agencies, etc. so this guide would be a resource for wineries seeking answers to these types of questions. Most of the work will be subcontracted out to an expert in the field. The VWA will come back at the March meeting with a detailed proposal with specific deliverables.

For the Salary & Benefits Survey, this information would be used by wineries to make sure they were paying wages and benefits in order to find, train, and retain the best workers. The VWA surveyed their membership and they wanted this information. After discussion, there was no interest from the Board to pursue this project and no further action was taken.

Round table

Chairman Stephens suggested it may be time to have a wine industry meeting to review the strategic plan and get industry input on specific actions to continue to grow the industry and help set priorities for resources.

Public Comment

There was no additional public comment.

Next meeting and Adjourn

The next meeting is tentatively set for March 18, 19, 2013. In Charlottesville. With no further business, Mitzi moved to adjourn, Mills seconded, and the meeting ended at 3:55 PM.

Respectively submitted,

J. "Rock" Stephens, Chair

David Robishaw, Secretary

