

Monday, December 6, 2021

Board Members Present

Kirk Wiles, Chairman
Courtney Mailey
Megan Seibel
Patrick Duffeler, II

Aubrey Rose
George Hodson
Luca Paschina
Bradley Copenhaver (Ex Officio Member)

Board Members Absent

Tayloe Dameron
Nate Walsh

Guests/Staff Present

Bettina Ring, Secretary of Agriculture & Forestry
Ben Jordan, Early Mountain
Emily Pelton, WRE
Joy Ting, WRE
Anne Shelton, VCA
Laure Aldrich, VWA
Jennifer Reichert, StonyWater LLC
Peter Hoehn, Early Mountain
Skip Causey, VVA

Annette Boyd, VWMO
Susan Kramer, VWMO
Anna Pendleton, VWMO
Amanda Christian, VWMO
Robin Hill, VDACS
Melissa Ball, VDACS
Caitlin Miller, VDACS

I. Call to Order / Introductions – 10:15 AM

II. Approval of Draft Minutes

The minutes of the August 17, 2021 meeting were reviewed and unanimously approved as presented.

III. Approval of Annual Report

The 2020-2021 Virginia Wine Board Annual Report was reviewed and unanimously approved as presented.

IV. Financial Report – Aubrey Rose and Megan Seibel presenting

FY 22 YTD Draft Budget.

**Virginia Wine Board Financial Statement
December FY 22 - DRAFT**

Carryover/Beginning Balance	Estimate/Budget
Unallocated Prior Year Research	\$ 215,608.91
Unallocated Prior Year Marketing	\$ 386,150.88
De-obligated Prior Year Research	\$ 144,918.25
De-obligated Prior Year Marketing	\$ 115,855.27
Total Carryover/Beginning Balance	\$ 862,533.31
Income	
Base Appropriations as of 7/1/2021	\$ 2,012,408.00
1/3 Research	\$ 670,802.67
2/3 Marketing	\$ 1,341,605.33
Total Income with Carryover Balance	\$ 2,874,941.31
Expenses - Approved	
Research Expense	
Research Contingency FY23	\$ 100,000.00
FY 20-21 Approved Research Grants	\$ 768,835.94
National Grape Research Alliance	\$ 15,000.00
Total Research	\$ 883,835.94
Marketing Expense	
Board Admin Expenses (includes Board Docs, EVA Fees, Travel)	\$ 20,000.00
Office Rent	\$ 27,324.00
Wireless services	\$ 2,000.00
Contingency	\$ 7,500.00
Marketing Contingency FY23	\$ 200,000.00
Wine Marketing Office	\$ 1,250,074.00
Marketing Grants (non-WMO)	\$ 160,000.00
Total Marketing	\$ 1,666,898.00
Total Expenses	\$ 2,550,733.94
Projected Balance	\$ 324,207.37
Estimated Amount Available for Research	\$ 147,493.89
Estimated Amount Available for Marketing	\$ 176,713.48

Approved at the August 2021 meeting

updated as of 10/4/21

1. Approved additional Wine Marketing Office funds including \$10,500 for marketing grant and \$45,000 for Jimmy V project
2. Approved 22-23 (research grant submitted by Ben Jordan) in the amount of \$100,000
3. Approved 22-25 (marketing grant submitted by VWA) in the amount of \$40,000
4. Approved \$36,000 for Commercial Grape Report. Previously approved \$35,900, \$100 added to research expense.
5. Approved 16,000 (research grant submitted by VWA). **Award not accepted and not included in research expense.**

IV. Industry Reports – Full reports available on BoardDocs

- A. Virginia Wine Distribution Company – Robin Hill presenting
 - a. VWDC has \$5.8 million in sales for calendar year 2021. VWDC sales by varietal include \$1,270,000 in blend and \$895,000 in cider. VWDC has 240 active wineries (15 pending licenses).
 - b. VWDC will host an industry trade tasting event on March 31, 2022 at Common House in Richmond.
- B. Virginia Vineyards Association – Skip Causey presenting
 - a. Provided an update on the progress of the Commercial Grape Report for Virginia. The project is being managed by VVA and the Virginia Wine Board Marketing Office.
- C. Virginia Wineries Association – Laurie Aldrich presenting
 - a. Provided updates on VWA program and events including the annual meeting held in Richmond on November 15-16, 2021, Regulation Round Ups, Governor's Cup Seminars 2021, Ask the Expert, etc. in addition to a legislative update.
 - b. Requested that the VWA pre-proposal 23-12 on social media and digital marketing workshops be funded during the FY 22 grant cycle. *A motion was made, seconded and unanimously passed to approve \$18,000 for Virginia Wineries Association to develop workshops on social media and digital marketing during the FY 22 grant cycle.*
- D. Winemakers Research Exchange – Joy Ting presenting
 - a. Provided updates on current research projects.
- E. Virginia Wine Marketing Office – Annette Boyd presenting
 - a. Provided updates on Virginia wine sales and cider sales in addition to marketing initiatives such as Virginia Wine Month and winter whites.
 - b. Requested an increase to the FY 22 budget for additional marketing research (\$14,000), continued strategic planning (\$7,500), and economic impact surveying (\$6,000). *A motion was made, seconded and unanimously passed to increase the Wine Marketing Office FY 22 budget \$27,500.*
 - c. Submitted the final version of the Strategic Plan for Cultivating and Inclusive, Equitable, Just and Diverse Virginia Wine Industry.

V. Old Business

- A. Virginia Breeding Initiative. Ben Jordan and Emily Pelton provided an update on the Virginia Breeding Initiative and CRADA opportunity with USDA. In ongoing support of the breeding initiative, the Board would like to develop a Memorandum of Agreement (MOA) with USDA/WRE and VDACS that outlines the terms of the partnership. The MOA will outline how intellectual property resulting from the project will perpetuate industry initiatives. *A motion was made, seconded and*

unanimously passed to further support the Virginia Breeding Initiative through the development of a MOA as stated above.

- B. Enology Research Services Contract Proposal. The Board discussed the proposal submitted by the Virginia Winemakers Research Exchange in response to the Virginia Wine Board's enology research services RFP posted in June 2021. *A motion was made, seconded and unanimously passed to award the enology services contract to WRE.*

VI. New Business

A. 2022-2023 Pre-proposals

The Board voted unanimously to request and review full proposals for the following projects:

TITLE	ORGANIZATION	AMOUNT
Virginia Commercial Grape Report	Virginia Vineyards Association	\$36,831
Support for Virginia Vineyards Association Technical Meetings	Virginia Vineyards Association	\$25,000
Regulation Round Ups and VWA Winery Resource Guide	Virginia Wineries Association	\$64,000
Governor's Cup Competition 2022	Virginia Wineries Association	\$120,000
VWA Annual Meeting & Conference for 2022	Virginia Wineries Association	\$25,000
Governor's Cup Seminar 2023	Virginia Wineries Association	\$15,000
Governor's Cup Consumer Event 2023	Virginia Wineries Association	\$36,000
Workforce Development – Ask the Expert Workshops	Virginia Wineries Association	\$8,000
ARS/USDA - WRE Collaborative Wine Grapevine Breeding Initiative	Winemakers Research Exchange	\$200,000
Virginia Cider Educational Meetings	Virginia Cider Association	\$7,500
VCA Five Year Strategic Planning	Virginia Cider Association	\$3,500
Viticulture Extension and Research Support	Virginia Tech	\$33,000
Application of Rhizobium vitisARK-1, a biological agent against grapevine crown gall, at the time of grafting	Virginia Tech	\$48,000
Public launching of grapeIPM.org with collaboration between VT and VVA	Virginia Tech	\$20,000
Grape Pathology Projects 2021-2023	Virginia Tech	\$20,000
Establishment of Virginia sentinel vineyard network for extension and research	Virginia Tech	\$22,000
Maintain fungicide resistance testing capabilities for grape diseases, and follow-up tests on cane-infecting fungi-IV	Virginia Tech	\$11,800
Identification of varieties with tolerance to Pierce's Disease (Xylella fastidiosa) and improved pathogen detection	Virginia Tech	\$44,600
Spotted lanternfly affecting Virginia vineyards: Expansion, and control of egg masses	Virginia Tech	\$57,000
Mealybug species composition and management in Virginia vineyards	Virginia Tech	\$57,600
Evaluation of Novel Grapevine under Local Growing Conditions	Virginia Tech	\$11,400

Natural Cider Fermentation: Management Strategies for Success	Virginia Tech	\$54,679
Improving grape quality in Virginia vineyards using soil stabilizers	Virginia Tech	\$25,000
Fine Cider by Any Other Name: Machine Learning and Natural Language Processing to Optimize Producer Descriptions of Cider	Virginia Tech	\$55,616
Virginia Wine Consumer Personas, Seen through the Lens of Tourism and Ecommerce	Enolytics LLC	\$40,000
Wine for Winemakers - Benchmarking and Roundtables	Arrowine	\$7,500
Sustainable Winery and Vineyard Certification Program for Virginia Wine Industry	Sustainable Business International	\$75,000
Visualizing Virginia's Wine History through Videos and Images	Thomas Jefferson Wine Company	\$40,000

The Board voted unanimously to redirect the following proposal to the Virginia Wine Board Marketing Office:

TITLE	ORGANIZATION	AMOUNT
Wine Folly Virginia Wine Country Guide	Wine Folly	\$50,000

The Board elected not to request full proposals for the following projects:

TITLE	ORGANIZATION	AMOUNT
Grapevine Canopy Temperature and Color for Plant Health and Wine Grape Yield and Quality	Itri Corporation	\$26,360
How does soil management affect soil health in Virginia vineyards?	Virginia Tech	\$75,000
Expand Virginia Wine Listings on Restaurant Menus and Retailer Shelves through Depletion Data Analysis	Enolytics LLC	\$45,000
Virginia Peninsula AVA Media Event & Tasting Trail	Consociate Media	\$32,031
Expanding Virginia Wine Retail Sales in the Mid-Atlantic Region	Virginia Commonwealth University	\$30,000
Wine Industry Studies Internship	Arrowine	\$18,000

B. Wine Board Marketing Office Contract

- a. The Board reviewed the statement of need for the Virginia Board Marketing Office, which will be used to develop the upcoming RFP. *A motion was made, seconded and unanimously passed to approve the statement of need.* The Program Manager will send the statement of need to the VDACS Director of Procurement. The entire Board will participate in the proposal review process.

VII. Housekeeping

A. BoardDocs Renewal

A motion was made, seconded and unanimously approved to renew the BoardDocs in the amount of \$3,000.

B. Trademark Renewal

A motion was made, seconded and unanimously approved to renew a Virginia Wine trademark (#4409876).

VIII. Public Comment

None

IX. Next Meeting & Adjourn

The next meeting will be held March 29-30, 2022 at Omni Charlottesville.

The meeting adjourned at 3:30 PM.