

This was a hybrid meeting held electronically via WebEx on Thursday, April 15, 2021 during the Governor's declared state of emergency due to the COVID-19 pandemic making it unsafe for the public body to assemble in a single location. A recording of the meeting is available:

<https://covaconf.webex.com/recordingservice/sites/covaconf/recording/playback/1379ccac794d4c408e600b783d9d1d2e> Password: Wine2021A

Thursday, April 15, 2021

Board Members Present (Physically)

Kirk Wiles, Chairman	Courtney Mailey
Tayloe Dameron	Megan Seibel
Mitzi Batterson	Len Thompson
Doug Fabboli	Luca Paschina
Patrick Duffeler, II	

Guests / Staff Present (Physically)

Jake Busching	Adam Koeppel
Carly Maher	Ben Jordan
Aileen Sevier	Melissa Ball
Laurie Aldrich	Caitlin Miller

Guests Present (Virtually)

Anton Baudoin	Nate Walsh
Amanda Stewart	Skip Causey
Jacob Lahne	Benita Johnson
Beth Chang	Suzanne McGrath
Tony Wolf	Jeffrey Derr
Mizuho Nita	Dan Reilly

I. Call to Order / Introductions – 9:58 AM

II. Financial Report – Mitzi Batterson presenting

- A. FY 22 Draft Budget. *A motion was made, seconded, and unanimously passed to approve the FY 22 budget as presented:*

**Virginia Wine Board Financial Statement
2021-2022 DRAFT BUDGET**

Carryover/Beginning Balance	Estimate/Budget
Unallocated Prior Year Research	\$215,608.91
Unallocated Prior Year Marketing	\$386,150.88
De-obligated Prior Year Research	\$0.00
De-obligated Prior Year Marketing	\$0.00
Total Carryover/Beginning Balance	\$601,759.79
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	\$2,614,167.79
Expenses - Approved	
Research Expense	
Research Contingency FY23	\$100,000.00
FY 20-21 Approved Research Grants	TBD
Total Research	\$100,000.00
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	TBD
Marketing Grants (non-WBMO)	TBD
Total Marketing	\$256,824.00
Total Expenses	\$356,824.00
Projected Balance	\$2,257,343.79
Estimated Amount Available for Research	\$786,411.58
Estimated Amount Available for Marketing	\$1,470,932.21

updated as of 4/1/21

Notes:

For FY 22 and FY 23 our base appropriation dropped by \$769,837.00 (18.7% Reduction)

B. FY 21 YTD Draft Budget

Virginia Wine Board Financial Statement
April FY 21 (Current) - DRAFT

Carryover/Beginning Balance	Estimate/Budget
Unallocated Prior Year Research	\$43,579.91
Unallocated Prior Year Marketing	\$140,751.88
De-obligated Prior Year Research	\$0.00
De-obligated Prior Year Marketing	\$0.00
Total Carryover/Beginning Balance	\$184,331.79
Income	
Base Appropriations as of 7/1/2020	\$2,782,245.00
1/3 Research	\$927,415.00
2/3 Marketing	\$1,854,830.00
Total Income with Carryover Balance	\$2,966,576.79
Expenses - Approved	
Research Expense	
FY 20-21 Approved Research Grants	\$755,386.00
Total Research	\$755,386.00
Marketing Expense	
Board Admin Expenses (includes Board Docs, EVA Fees, Travel)	\$20,000.00
Office Rent	\$27,324.00
Wireless services	\$2,257.00
Contingency	\$7,500.00
Wine Marketing Office	\$1,402,350.00
Marketing Grants (non-WBMO)	\$150,000.00
Total Marketing	\$1,609,431.00
Total Expenses	\$2,364,817.00
Projected Balance	\$601,759.79
Estimated Amount Available for Research	\$215,608.91
Estimated Amount Available for Marketing	\$386,150.88

III. Research Advisory Group – Jake Busching presenting

- 18 research grants were reviewed by the Research Advisory Group
- 18 research grants were recommended for funding
- Individual rankings and comments are available on BoardDocs

IV. 2021-2022 Grant Proposals / Presentations

The Board made time available for everyone who submitted a full proposal to come before the Board to discuss their ideas and answer Board questions.

The Virginia Veraison Immersion Program

Carly Maher, The Veraison Project

Maintain fungicide resistance testing capabilities for grape diseases and follow-up tests on cane-infecting fungi - III

Anton Baudoin, Virginia Tech

Virginia-grown Cider: Influence of cultivar and fermentation strategies on cider chemistry, flavor, consumer perceptions and product valuation

Amanda Stewart, Virginia Tech

Virginia Hard Cider: How does production-relevant cider chemistry affect flavor, consumer perceptions, and product valuation?

Jacob Lahne, Virginia Tech

In Pursuit of Petit Dry Manseng: Understanding Petit Manseng Acid Chemistry

Beth Chang, Virginia Tech

Wine Acidity 201: Basics and Beyond

Beth Chang, Virginia Tech

Support for Vineyards Association Technical Meetings

Nate Walsh & Skip Causey, Virginia Vineyards Association

Grow Virginia: Increasing minority and women participation in the Virginia wine industry

Benita Johnson, The Vine Wine Club

Viticulture Extension and Research Initiative

Tony Wolf, Virginia Tech

Establishment of Virginia sentinel vineyard network for extension and research

Mizuho Nita, Virginia Tech

Official launching of grapeIPM.org with collaboration between VT and VVA

Mizuho Nita, Virginia Tech

Develop methods for early detection and identification of grape pathogens in the environment and on plants

Mizuho Nita, Virginia Tech

Application of a biocontrol agent *Rhizobium vitis* ARK-1 at the time of grafting

Mizuho Nita, Virginia Tech

Grape Pathology Projects 2021-2023

Mizuho Nita, Virginia Tech

Virginia Winery Tasting Room Workforce Development Training Implementation Program
Suzanne McGrath, The New Ag School

Safety and Effectiveness of New Herbicides for Organic and Conventional Grape Production
Jeffrey Derr, Virginia Tech

Virginia Commercial Grape Report
Dan Reilly, SMS Research Advisors

Evaluation of a machine learning product to predict grape pest and disease outbreaks
Adam Koepfel, Agrolgy

Groundwork for Development and Management of a Virginia Focused Wine Grapevine
Breeding Initiative
Ben Jordan

Governor's Cup Competition 2022
Laurie Aldrich, Virginia Wineries Association

Governor's Cup Case Seminar 2022
Laurie Aldrich, Virginia Wineries Association

Governor's Cup Consumer Event 2022
Laurie Aldrich, Virginia Wineries Association

Regulation & Rules Round Ups and VWA Winery Resource Guide
Laurie Aldrich, Virginia Wineries Association

VWA Ask the Expert
Laurie Aldrich, Virginia Wineries Association

Social Media and Digital Marketing Workshop
Laurie Aldrich, Virginia Wineries Association

VWA Annual Meeting & Conference 2021
Laurie Aldrich, Virginia Wineries Association

Marketing Inclusivity Workshop
Laurie Aldrich, Virginia Wineries Association

V. Adjourn

Board adjourned for the evening at 5:15 PM

This was a hybrid meeting held electronically via WebEx on Friday, April 16, 2021 during the Governor's declared state of emergency due to the COVID-19 pandemic making it unsafe for the public body to assemble in a single location. A recording of the meeting is available:

<https://covaconf.webex.com/recordingservice/sites/covaconf/recording/playback/bda263ef9b624fa08abf2502f26ddc4c> Password: Wine2021B

Friday, April 16, 2021

Board Members Present (Physically)

Kirk Wiles, Chair

Tayloe Dameron

Mitzi Batterson

Len Thompson

Patrick Duffeler, II

Courtney Mailey

Luca Paschina

Doug Fabboli

Megan Seibel

Guests / Staff Present (Physically)

Joy Ting, WRE

Emily Pelton, WRE

Matthieu Finot, WRE

Anne Shelton, VCA

Annette Boyd, WMO

Anna Pendleton, WMO

Susan Kramer, WMO

Amanda Christian, WMO

George Hodson, VWA

Bettina Ring, Secretary of Agriculture and Forestry

Melissa Ball, VDACS

Caitlin Miller, VDACS

Guests Present (Virtually)

Robin Hill, VWDC

Kevin Steinbrecher, VDACS

I. Call to Order - 9:30 AM

II. Bettina Ring, Secretary of Agriculture and Forestry

III. Approval of Draft Minutes

The minutes of the December 15, 2020 meeting were reviewed and unanimously approved as presented.

IV. Industry Reports – Full reports available on BoardDocs

A. Virginia Wine Distribution Company – Robin Hill presenting

- a. At the March 31, 2021 VWDC board meeting, Chairman Randy Philips announced he is stepping down from the VWDC board. Under Randy's direction, the VWDC has grown to 234 participating wineries with sales over \$3 million and relationships with small retailers to large grocery chains across Virginia.
- b. VWDC's marketing company, Big Spoon Co. has developed a new website. The website will include blog content featuring Virginia wineries, news for wineries and retailers, an archive for newsletters, better integration with social media

channels, easy access for the VWDC team to update the site, and clear links to the VWDC fulfillment portal.

- B. Virginia Cideries Association – Anne Shelton presenting
 - a. Provided updates on events including the semiannual meeting, Virginia Cider Week 2021 and CiderCon 2022, which will be held in Richmond on February 2-4, 2022.
 - b. Answered questions related to the Virginia Cideries Association Educational Meetings grant proposal submitted for 2021-2022.
- C. Virginia Wineries Association – Laurie Aldrich presenting (on April 15)
 - a. Provided updates on VWA events and status of grants including: Annual Meeting, Regulation Round Ups, Governor’s Cup Competition, Governor’s Cup Seminar, and Governor’s Cup Tasting.
 - b. Provided a legislative report on the following bills: ABC Local Input and Criminal Blight (HB 2131), Neonicotinoid Pesticides (HB 2030), Hazard Pay for Essential Workers (HB 2015), ABC License Notice Requirements (SB 1345), Heat Illness (HB 1785, SB 1358), Farm Workers – Minimum Wage (HB 1786).
- D. Winemakers Research Exchange – Joy Ting and Emily Pelton presenting
 - a. The Board asked questions related to issues with Virginia Tech labs and discussed the need for improved communication and support.
 - b. WRE asked questions regarding the RFP process. A meeting to develop an RFP for enology research services will be organized between VDACS Procurement, Administration and the Virginia Wine Board RFP Committee.
 - c. Answered questions related to the Winemakers Research Exchange Experiments and Sensory Sessions grant proposal submitted for 2021-2022.
- E. National Grape Research Alliance – Emily Pelton presenting
 - a. Provided updates on recent NGRA Board efforts in addition to information on the value of Virginia’s continued participation in the NGRA. *A motion was made and unanimously approved to allocate a total of \$15,000 in FY 22 towards NGRA, which includes \$10,000 for dues and \$5,000 for travel.*
- F. Virginia Wine Marketing Office – Annette Boyd presenting
 - a. Provided updates on Virginia wine sales and marketing initiatives including Virginia Governor’s Cup and Gold Medal Trail.
 - b. Provided an update on the Virginia Wine Board Diversity Inclusion Plan.
 - c. Submitted budget proposal for 2021-2022. *A motion was made, seconded, and unanimously approved to fund the Wine Marketing Office budget proposal as follows and additional \$13,000 for an economic impact study bringing the total for FY 22 to \$1,194,574.00.*

Marketing Budget for FY 2021 & Proposed for FY 2022

as of April 29, 2020		Approved 2021'	Actual Spent to date '2021	Proposed 2022'	% Increase Over 2021
Staffing fees:	4 full time, 1 parttime staff	369,000.00	276,750.00	370,874.00	0.5%
Travel		15,000.00	2,171.00	8,000.00	-46.7%
Office Expenses		32,000.00	22,496.00	28,000.00	-12.5%
Winery Guide		175K		175K	
	Printing	33,000.00		37,000.00	12.1%
	Design	15,000.00		-	-100.0%
	Shipping	17,000.00	1,608.00	15,000.00	-11.8%
		65,000.00	1,608.00	52,000.00	-20.0%
Website & Digital Marketing					
	Website & App Enhancements	99,000.00	96,970.00	15,000.00	-84.8%
	Blast emails (consumer & industry)	2,500.00	1,625.00	2,500.00	0.0%
	SEO/SEM	27,700.00	27,700.00	10,500.00	-62.1%
	Web hosting	7,000.00	5,689.00	7,000.00	0.0%
	Routine Maintenance Web & App	36,000.00	27,000.00	60,000.00	66.7%
		172,200.00	158,984.00	95,000.00	-44.8%
Trade Relations					
	Wine Summit				
	Oct. VA Wine Month POS/Promos	127,400.00	128,389.00	110,000.00	-13.7%
	Trade Engagement (DC,SE, Spring/Fall)			110,000.00	combining catagories
	DC Trade Mktg	30,000.00	1,276.00		-100.0%
	POS	30,000.00	7,097.00		
	Southeast Trade Event Mktg	28,000.00	8,238.00		-100.0%
	Spring Campaign	20,000.00	650.00		-100.0%
	Consumer Research	28,000.00	27,500.00		New
	VA Wine Ambassador Prog.	19,000.00	11,269.00	15,000.00	-21.1%
		282,400.00	184,419.00	235,000.00	-16.8%
Public Relations/Brand Development					
	Retainer(s) for PR assistance	48,000.00	36,000.00	48,000.00	0.0%
	Brand Materials Development	62,000.00	32,296.00	52,000.00	-16.1%
	Governor's Cup Case Mailings	44,600.00	25,440.00	32,000.00	-28.3%
	Governor's Cup Marketing	65,000.00	38,450.00	75,000.00	15.4%
	Wine Enthusiast Magazine promo	20,000.00	-		-100.0%
	Media & Influencer Tours			20,000.00	
	Content Creation & Photography	50,000.00	20,125.00	29,200.00	-41.6%
		289,600.00	152,311.00	256,200.00	-11.5%
Wine Library		24,000.00	8,271.00	15,000.00	-37.5%
Advertising					
	Misc. Advertising	19,000.00	10,120.00	14,000.00	-26.3%
	Virginia Travel Guide	16,500.00	14,123.00	16,000.00	-3.0%
	Digital Advertising	53,000.00	14,466.00	35,000.00	-34.0%
		88,500.00	38,709.00	65,000.00	-26.6%
Other					
	Mktg Matching Grants	33,300.00	3,300.00	33,000.00	-0.9%
	Governor's Office/Trade Missions	9,000.00	3,010.00	14,000.00	55.6%
	Strategic Planning	20,000.00	-	9,500.00	
	Diversity & Inclusion Strategic Plan	2,350.00	588.00		-100.0%
		64,650.00	6,898.00	56,500.00	-12.6%
Total Spent		1,402,350.00	852,617.00	1,181,574.00	

V. Discussion and Selection of Grants

The Board voted unanimously to fund the following:

Title	Organization	Lead	Amount
Viticulture Extension and Research Initiative	Virginia Tech	Tony Wolf	\$42,291.00
Virginia Winemakers Research Exchange Experiments and Sensory Sessions	Winemakers Research Exchange	Joy Ting	\$167,150.00
Support for Virginia Vineyards Association Technical Meetings	Virginia Vineyards Association	Nate Walsh	\$25,000.00
Establishment of Virginia sentinel vineyard network for extension and research	Virginia Tech	Mizuho Nita	\$23,000.00
VWA Annual Meeting & Conference	Virginia Wineries Association	Laurie Aldrich	\$25,000.00
Virginia Cider Educational Meetings	Virginia Cideries Association	Anne Shelton	\$7,500.00
Maintaining Fungicide resistance testing capabilities for grape diseases and follow-up	Virginia Tech	Anton Baudoin	\$4,898.00
Official launching of grapeIPM.org with collaboration between VT and VVA	Virginia Tech	Mizuho Nita	\$20,000.00
Regulation & Rules Round Ups and VWA Winery Resource Guide	Virginia Wineries Association	Laurie Aldrich	\$64,000.00
Wine Acidity 201: Basics and Beyond	Virginia Tech	Beth Chang	\$14,676.00
Governor's Cup Case Seminar 2022	Virginia Wineries Association	Laurie Aldrich	\$15,000.00
Virginia-grown Cider: Influence of Cultivar and Fermentation Strategies on Cider Chemistry, Flavor and Consumer Valuation	Virginia Tech	Amanda Stewart	\$45,518.00
Mealybug species composition and management in Virginia vineyards	Virginia Tech	Doug Pfeiffer	\$55,738.00
Virginia Commercial Grape Report Grantee To Be Determined	TBD	TBD	\$35,900.00
In Pursuit of Dry Petit Manseng: Understanding Petit Manseng Acid Chemistry	Virginia Tech	Beth Chang	\$19,725.94
Grape Pathology Projects	Virginia Tech	Mizuho Nita	\$20,000.00
The Virginia Veraison Immersion Program	The Veraison Project	Carly Maher	\$2,500.00

VWA Ask the Expert	Virginia Wineries Association	Laurie Aldrich	\$8,000.00
Total Research Grants Approved			\$595,896.94

Title	Organization	Lead	Amount
Governor's Cup Competition	Virginia Wineries Association	Aldrich, Laurie	\$120,000.00
Total Marketing Grants Approved			\$120,000.00

Total \$715,896.94

The Board voted unanimously to table the following until the August meeting:

Groundwork for Development and Management of a Virginia Focused Wine Grapevine Breeding Initiative		Ben Jordan	\$90,000.00
Governor's Cup Consumer Event 2021	Virginia Wineries Association	Laurie Aldrich	\$40,000.00
Empowering tasting room managers to quickly and efficiently train their staff	The New Ag School	Nancy Gallagher	\$16,000.00
Social Media and Digital Marketing Workshop	Virginia Wineries Association	Laurie Aldrich	\$16,000.00

The Board voted unanimously not to fund the following proposals:

Spotted lanternfly affecting Virginia vineyards: Determination of expansion in vineyard areas, and chemical control agents of egg masses	Virginia Tech	Doug Pfeiffer	\$56,832.00
Application of a biocontrol agent Rhizobium vitis ARK-1 at the time of grafting	Virginia Tech	Mizuho Nita	\$52,000.00
Evaluation of a machine learning product to predict grape pest and disease outbreaks	Agrology	Adam Koepfel	\$25,000.00
Marketing Inclusivity Workshop	Virginia Wineries Association	Laurie Aldrich	\$17,000.00
Develop methods for early detection and identification of grape pathogens in the environment and on plants	Virginia Tech	Mizuho Nita	\$45,000.00
Virginia Hard Cider: How does production-relevant cider chemistry	Virginia Tech	Jacob Lahne	\$56,010.00

affect flavor, consumer perceptions, and product valuation?			
Safety and Effectiveness of New Herbicides for Organic and Conventional Grape Production	Virginia Tech	Jeff Derr	\$29,501.00
Grow Virginia: Increasing Minority and Women Participation in the Virginia Wine Industry	The Vine Wine Club	Benita Johnson	\$39,856.00

VI. Public Comment

None

VII. Next Meeting & Adjourn

The next meeting will be held Tuesday, August 17, 2021 at Upper Shirley Vineyards.

The meeting adjourned at 5:30 PM.