**Virginia Wine Board**

**King Family Vineyard**

**Tuesday, December 02, 2014**

**FINAL MINUTES**

**PRESENT**

David King Diane Flynt Todd Haymore

Chris Blosser Len Thompson Doug Fabbioli

Mitzi Batterson Mills Wehner Bill Tonkins

**ABSENT**

Ruth Saunders

**GUESTS**
Susan Wagner Annette Boyd Amy Ciarametaro

Rock Stephens Katie Hellebush Laurie Aldrich

**Call to Order and Welcome Guests**

At 10:00 AM, Chairman King called the meeting to order and welcomed the members and guests

**Approval of the Minutes from August 26, 2014**

Chris Blosser moved to approve the minutes, Bill Tonkins seconded, and the motion passed.

**Treasurer’s Report**

Dave gave a brief report on the finances but the Board began a discussion on future accounting needs. The Board felt that the level of funding requires additional oversight. The Board moves to have Mitzi work with David Robishaw and VDACS to come up with a proposal to solve the accounting issue. Len Thompson seconded the motion, and with no further discussion, the motion passed.

**Report from the Virginia Vineyards Association**

Plans are being finalized for the annual winter meeting at the Omni. Overall, harvest reports from around the state are fairly optimistic, with some areas down slightly due to weather conditions, but most growers are reporting a good harvest.

**Report from the Virginia Wineries Association**

Mitzi gave the report for the VWA, which is listed on Board Docs. The VWA provided the Board a list of new members. The VWA also held their annual meeting at Morais Winery in Bealeton. The VWA is going to make a presentation to the Virginia Association of FAIRS.

**Report from the Virginia Wine Council**

Katie Hellebush made the presentation for the VWC. The report is listed on Board Docs. The VWC is trying to find money to conduct more work on how best to promote additional grape production. The VWC could work between the VVA and the VWA on a “Grape Incentive Fund” through a “vine tax” the industry would impose on itself. The Board was unsure this was a good use of money, but rather what the industry (growers) need is pricing structure and what can a grower expect to earn on their grapes. Can the money be better spent developing a “futures” market where a grower can go to the bank and be able to tell the lender how much money can expect in the future. The price a grower gets for their fruit determines whether he invests in growing grapes. Chairman King made the case that the Grape Report may not be able to provide a new grower with the most accurate data. The VWC will help coordinate this project between the industry groups but does not that the staff to run this project so the Virginia Vineyards Association will take the lead role. The VWC will help the VVA prepare a proposal and bring to the Board at the next meeting.

The VWC presented the results of additional industry survey questions. The VWC sent out 300 surveys and received responses from approximately 50 people. The VWC gave the Board an update on the actions of both Albemarle and Loundon Counties Board of Supervisors actions on local farm winery and brewery ordinances. For Albemarle County, they have retained the “substantial impact” portion of the code which will allow them to regulate businesses virtually any way they want, which could be detrimental to the agricultural industry. This does not apply to farm wineries or breweries, but rather hurt “on farm” direct marketing farms.

**Report from Secretary Haymore**

Secretary Haymore updated the Board on the state budget status. VDACS will be impacted but Marketing is a key component in helping the economy grow, so the Wine Board may not suffer any negative budget impacts. Sam Towel (?) is the new assistant in the Secretary’s office, and Travis Hill is now the COO at the Virginia Alcohol Beverage Control board. Work is continuing with the “V Foundation” along with the Virginia food and wine industry. The Governor is announcing his economic development/strategic plan which will have a big focus on agriculture, particularly alcohol related industries, including wineries, craft breweries, and ciders. The Governor is also interested in continuing with the Wine Summit, as well as promoting wine internationally

**Report from the Wine Marketing Office**

Annette Boyd gave the report to the Board, with the materials listed on Board Docs. Bill Tonkins moved to put the Strategic Plan out to the industry for review marked as “Review” with a cover page explaining the work already done and the people in charge of following up on the action items. Doug Fabbioli seconded the motion, so the Board opened this motion up for discussion. After discussion, the Board voted and approved the motion as presented.

Annette reviewed the budget and her office is “on schedule”. David King asked the Board to review the current allocations, including international marketing and the Wine Summit. The Wine Summit is a several day event with many of the panelists in for winery tours as well as the educational component. For 2014, there were approximately 250 attendees, of which over 20% were wine writers and media. The WMO still wants the focus of the Summit to be the branding and quality of Virginia Wine, not necessarily a tourism event and not a consumer event. The Board also discussed the options of when should the Summit be held and where should it be held? Could the Summit be done in conjunction with other trade related events? The Board discussed the possibility of moving the event to Washington DC in the spring of 2016 and utilize the advantages of travel, politicians, media, restaurant industry, and consumer awareness offered in Washington DC. Annette moved onto the international marketing component of the budget. The WMO partnered with several counties to save money on the Circle of Wine Writers tour and have only spent about $18,000 of the total budget. Today, the WMO has almost $30,000 left in the international marketing budget and has plans to host a dinner in London this fiscal year and not do the London Wine Fair. The target market would be media and trade. Bill Tonkins felt distribution is down in London and the industry does not have enough wine to grow this market. The Board will continue this discussion at the next meeting. The Board discussed a marketing calendar to include a function for London in the spring of 2015, an event in Loudoun County in the fall of 2015, and relocate the Wine Summit to Washington DC for the spring of 2016

The new winery guide is going for the first proof with a new cover (shared with the Board). There are only 3 net new wineries for this edition. The guide will be ready to be shipped to wineries on January 2, 2015. Last year there were 2 covers for the Wine Guide but this year there will only be 1 cover. The WMO is going to use December and January to review their total operations, evaluating those items that are most productive. The results of this study will be evident in the FY 2016 budget request.

The WMO discussed the annual Grape Report. It was the sense of the Board that the data included in this report is used by many people making economic decisions on whether to get into the grape business. The challenge is to gather data that is accurate as well as useful to potential new growers.

**Old Business**

**National Wine and Grape Initiative** – Rock Stephens is the representative from Virginia in this national organization. The report on the NWGI is posted on Board Docs. Rock attends the Board meetings, both in California as well as Virginia and represents the interest of Virginia growers. Now that the USDA has a new farm bill, there is discussion of making a “center of grape excellence” housed in the NGWI that would be very beneficial to the industry as a whole. Rock will make a formal funding request at the March Board meeting.

**RFP and Review Committee** – Dave gave the report to the Board. Dave updated the current status of the RFP, members of the committee, and the proposed time frame for the procedure.

**New Business**

**Hantzmon Wiebel –** The entire report is available on Board Docs. The Board discussed how best to utilize the study, what to do with it, and how it will help the industry. The report is in draft form and some of the data as presented is not optimistic. The Chairman asked the entire Board to study the report, review it for any potential discrepancies, and decide by the next meeting what to do with the report. David King asked the Board send any comments about the report to him by January and he will share them with Hantzmon Wiebel.

**New River Valley Grape Growers Association –** Dave Robishaw gave an update to the Board.

**Contract renewal for Ringwood Boyd –** The Board discussed the possibility of the contract extension for FY 2016. Doug Fabbioli moved to extend the Contract for FY 16 based on the FY 15 contract. Chris Blosser moved to approve the motion, and with no further discussion, the motion passed.

**Chairman’s Comments –** There were no additional comments other than the Chairman was grateful for all those that contributed materials prior to the meeting that made the meeting proceed

**Public Comment –** Amy passed Level 3 on her training and is moving forward in her next class.

**Next meeting and Adjourn –** The next meeting of the Board will be March 23-24, 2015 at the Omni Charlottesville. With no further business, the meeting adjourned at 3:15