

AGRICULTURAL COMMODITY BOARD

ANNUAL REPORT

for the Virginia Wine Board

Fiscal Year 2021-2022

Date Due: November 1, 2022

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The Virginia Wine Board

FY 2021-2022

I. INTRODUCTION

Created by the Virginia General Assembly in 1984 as part of Virginia's Department of Agriculture and Consumer Services, the Virginia Wine Board promotes the interests of vineyards and wineries in the Commonwealth through research, education and marketing. The Board fulfills the following duties:

- Receives funding from the Virginia Wine Promotion Fund and dispenses it for wine-related projects and initiatives.
- Contracts research to improve viticultural and enological practices in the Virginia wine industry.
- Promotes education about and appreciation for Virginia wines.
- Promotes the growing of wine grapes and wine production throughout the Commonwealth.
- Disseminates information on wine and viticultural topics.
- Contracts marketing, advertising and other programs that promote the growth of the state's wine industry and the enjoyment of Virginia wines.
- Collaborates with state, regional, national, and international organizations on their work related to Virginia's wine industry.

The Board consists of 10 members, nine of whom have voting privileges, all appointed by Virginia's governor for four-year terms. Three of the Board members are growers and six of which represent wineries. Approximately two-thirds of the Board's budget goes towards marketing, with the remaining third spent on wine-related research and education.

II. BUDGET

2021-2022 Budget

Total Revenues (Base appropriations)	\$2,482,799.00
1/3 minimum to Research and Education	\$827,599.00
2/3 to Marketing and Administration	\$1,655,200.00

III. PROJECTS and FUNDING

Title	Organization	Amount
Support for Virginia Vineyards Association Technical Meetings	Virginia Vineyards Association	\$25,000
VWA Annual Meeting & Conference	Virginia Wineries Association	\$25,000
Virginia Cider Educational Meetings	Virginia Cider Association	\$7,500
Governor's Cup Case Seminars 2022	Virginia Wineries Association	\$15,000
Regulation Round-Ups and VWA Winery Resource Guide	Virginia Wineries Association	\$64,000
Ask the Expert	Virginia Wineries Association	\$8,000
Virginia Commercial Grape Report	Virginia Vineyards Association	\$36,000
Virginia Winemakers Research Exchange 2021-2022	Winemakers Research Exchange	\$167,150
Application of biocontrol agent Rhizobium vitis ARK-1 at the time of grafting	Virginia Tech	\$45,516
Establishment of Virginia sentinel vineyard network for extension and research	Virginia Tech	\$23,000
Grape Pathology Projects	Virginia Tech	\$47,234
Official launching of grapeIPM.org with collaboration between VT and VVA	Virginia Tech	\$20,000
Maintaining fungicide resistance testing capabilities for grape diseases and follow-up tests on cane-infecting fungi	Virginia Tech	\$4,898
Mealybug species composition and management in Virginia vineyards	Virginia Tech	\$55,738
Viticulture Extension and Research Support	Virginia Tech	\$42,291
In Pursuit of Dry Petit Manseng: Understanding Petit Manseng Acid Chemistry	Virginia Tech	\$19,725.94
Wine Acidity 201: Basics and Beyond	Virginia Tech	\$14,676
Virginia-grown Cider: Influence of Cultivar and Fermentation Strategies on Cider Chemistry, Flavor and Consumer Valuation	Virginia Tech	\$45,518
The Virginia Veraison Job Fair	The Veraison Project	\$2,500
Groundwork for Development and Management of a Virginia Focused Wine Grapevine Breeding Initiative	Winemakers Research Exchange	\$100,000
National Grape Research Alliance	NGRA	\$15,000
Total Approved Research and Education Grants		\$775,746.94

Governor's Cup Competition 2022	Virginia Wineries Association	\$120,000
Governor's Cup Consumer Event 2021	Virginia Wineries Association	\$40,000
Total Approved Marketing Grants		\$160,00.00
Total Approved Grants for FY22		\$935,746.94

Virginia Wine Board Marketing Office

The Virginia Wine Board Marketing Office (VWBMO) completed their fifteenth full year of operation. With a staff of four full time employees and one part-time, the VWBMO carried out a wide variety of marketing programs. Below are some of the highlights of their marketing efforts. The total budget for FY 2022 was 1,277,574.00

The Wine Marketing Office's core marketing priorities and objectives include:

- Build brand awareness for Virginia wine.
- Increase availability of Virginia wines on wine lists and on store shelves within Virginia
- Drive visitors to Virginia wineries
- Expand Virginia wine sales within additional markets along the East Coast, with an emphasis on Washington DC, Maryland, and the Southeast

FY2022 was a transition year as Virginia started toward business as usual with regard to normal operations after COVID 19. After two years of no consumer or trade events and marketing almost exclusively online, the Virginia Wine Board Marketing Office shifted to some in person marketing with some marketing online.

The VWBMO had a second year of shifted workload to provide three essential objectives to wineries during COVID 19:

1. Grow affinity for Virginia wines and continue to be a resource for information on Virginia wineries in a rapidly changing environment.
2. Expand the Virginia wine audience.
3. Increase access to Virginia wines through educational opportunities and sales information

Marketing Initiatives Completed in FY2022

Completed Virginia Wine Vision 2025-2030 – The VWBMO worked with the larger Virginia wine industry to complete a strategic plan on behalf of the Virginia wine industry. With the

support of the Virginia Wine Board, the VWBMO will help various Virginia wine organizations with reminders to help facilitate movement of the various initiatives.

2021 Commercial Grape Report – The VWBMO worked with the Virginia Vineyards

Association to conduct a industry wide survey of grapes grown and tonnage harvested within Virginia. The full report was released to the Virginia Wine Board in spring of 2022.

Winter Whites Marketing Campaign – The VWBMO launched a broad trade support program to promote Winter White Wines during the Nov.-Jan. timeframe. The campaign allowed for the many facets of Virginia wine wines to be included (Sparkling, Orange, Cider, and a host of white wines). The campaign had promising results with 28,000 consumer reach and 12 featured trade partners.

Virginia Governor's Cup Wine Competition Gala – This event was held in-person after a 1-year hiatus. 550 people attended the event with the Governor of Virginia presenting the Governor's Cup to the winner. The event was notable since tickets were sold to the public for the first time and 111 public tickets secured \$65,000 in costs offset for the event.

Virginia Wine Governor's Cup Gold Medal Trail – This Trail was brought back again after the success of last year. 1,100 signups for the trail and over 3,000 check-ins.

2019 Economic Impact Survey – The 2015 Economic Impact Survey was updated. The 2019 Economic Impact Survey showed a 26.5% increase over the previous survey. The Virginia wine industry represented 1.7 Billion in economic impact to Virginia and 10,420 full-time equivalent jobs.

Virginia Wine Month – The October campaign surrounding Virginia Wine Month included numerous facets included a digital campaign that reached over 4.7 million people through Facebook, Google and Hulu. And over 26,000 users accessed all areas of the website including winery and event pages. 680,000 user were reached through social media.

Spring Campaign – This year's spring campaign continued efforts to drive visitors to Virginia vineyards and was supported through a spring digital campaign along with support through SevenFifty, the digital online buyers platform. Results included 45,000 web visits to VirginiaWine.org secured and 1.8 million digital ad impressions through Facebook, Instagram and Google.

Website & Digital Marketing – 145,700 users visited VirginiaWine.org. This is a 16.4% increase from the previous fiscal year. In addition the Virginia Wine email marketing saw a 53% open rate among consumers. That list has approximately 20,000 consumers on it.

IV. FUNDING LEVEL AT END OF FISCAL YEAR

1. Cash Balance: 6/30/2021	\$1,337,886.97
2. Revenues through 6/30/2022:	\$2,482,799.00
3. Expenditures through 6/30/2022:	\$2,137,934.70
4. Cash Balance: 6/30/2022	\$1,682,751.27

VI. BOARD MEETINGS AND ATTENDANCE

	8/17/2021	12/6/2021	3/20/2022	5/19/2022
K. Wiles	Y	Y	Y	Y
T. Dameron	Y	N	Y	N
M. Seibel	Y	Y	N	Y
P. Duffeler, II	Y	Y	N	Y
C. Mailey	Y	Y	Y	Y
A. Rose	Y	Y	Y	Y
G. Hodson	Y	Y	Y	Y
N. Walsh	Y	N	Y	Y
L. Paschina	N	Y	Y	Y