

## **FINAL MINUTES**

Virginia Wine Board  
Human and Agricultural Biosciences Building  
Virginia Tech, Blacksburg, VA  
August 10, 2016

### **Call to Order**

Chairman David King called the meeting to order at 10:00 AM and welcomed the Board and guests. The first order of business was the introduction of the new Secretary of Agriculture and Forestry, Dr. Basil Gooden.

### **Present**

David King	Diane Flynt	Bill Tonkins
Len Thompson	Kirk Wiles	Steven Brown
Mitzi Batterson	Patrick Duffeler	

### **Absent**

Doug Fabboli  
Todd Haymore

### **Guests**

Melissa Ball	David Robishaw	Margie Gehler
Dr. Basil Gooden	Kay Thompson	Dr. Joe Marcy
Molly Kelly	Amanda Stewart	Katie Hellebush
Dr. Joelle Eifert	Ken Hurley	Ann Sandbrook
Dr. Richard Obiso		

### **Introduction of Dr. Basil Gooden**

Dr. Gooden introduced himself to the Board and gave a brief rundown on his biography. Dr. Gooden is a cattle farmer in Buckingham County and currently works with the USDA, Department of Rural Development. He is focused on improving the economy in rural areas. Dr. Gooden is set to start his new position after Labor Day (September 06, 2016).

At this time, everyone in the room had the chance to introduce themselves and tell Dr. Gooden what they do and how they interact with the wine industry.

### **Approval of the Minutes from May 25, 2016**

Prior to the meeting, the minutes from the May 25, 2016 meeting were posted on Board Docs. With the exception of a typo, Len Thompson moved to accept the minutes as presented. Mitzi seconded, and with no further discussion, the minutes were approved.

### **Financial Report**

Prior to the meeting, the financial information was posted on Board Docs. Margie gave the report to the Board. After working with Mitzi, the format of the report has changed

slightly. There was also a discussion on how the Alcohol Beverage Control Board (ABC) calculates the portion of cider sales that are returned to the Wine Board. The Board is still trying to determine what percentage of the appropriation funding comes from the cider industry. They are trying to determine the difference between a farm cidery and a commercial cidery in how they calculate the excise tax and what comes to the Board. The Board will contact ABC and ask for an explanation on how the money is calculated. The Board spent a few minutes reviewing how Board Docs and the financial arrangement (the financial spreadsheet and Margie with VDACS) came into existence and how it improves Board efficiency. The Chairman shared a letter from ABC with the statistics of the last year's sales. Potentially the appropriation for next year will be slightly higher. Steven Brown moved to approve the report, Mitzi seconded, and with no further discussion, the motion passed.

### **Wine Marketing Office Report**

Prior to the meeting, information for the Wine Marketing Office report was posted on Board Docs. Annette Boyd presented the marketing report to the Board. Annette reviewed several of the budget categories (Wine Library and International Marketing) and how they function with the Governor's Office and other state agencies. There is a slight change (clarification) to the Budget compared to what is posted on Board Docs. Annette will give Dave Robishaw a revised budget and it will be posted on Board Docs and the existing budget will be removed.

Annette began the marketing portion of her report. The objectives have been discussed previously, but the objectives have been reordered. One of the highlights will be content marketing which was discussed later in the meeting. Annette noted the progress of the industry, including increased premium sales and increased winery visitation. Annette also discussed the upcoming "October Wine Month" promotion and the Wine Summit. Annette also highlighted the Commercial Grape Report, the Winery Guide, and upcoming branding events.

After the presentation, the Board discussed aspects of the report, and Annette addressed the questions and concerns. One of the concerns is the liability to the Wine Marketing Office and the Board if wine is poured and tasted in the Wine Marketing Office. The Board will consult with Counsel and get a legal opinion and report back to the Board at the December meeting. The Board will continue to discuss and evaluate how to select wines for sampling, in order to represent as many wineries as possible. There are several tools to assist in selecting wines, including the Governor's Cup. The other concern is what the trade wants to write about, including the wines available in their areas. The Wine Marketing Office has less control when responding to media requests.

Chairman King has concerns about the Wine Marketing Office conducting an economic development survey with results going to the General Assembly. It is critical that this survey be comprehensive enough to be useful to the General Assembly. The WMO would not actually do the survey themselves but rather use an outside firm experienced in collecting this data. This firm (Frank Rimmerman was previously known as MKF) has previously surveyed the Virginia wine industry, so they would be able to compare the existing data to the newly collected data.

NOON            Break for Lunch

12:30           Return to work

### **Marketing Continued**

Another topic for marketing was an initiative brought up by ABC. Would the industry be interested in expanding the offerings of wines in the ABC stores? The Board thought it would be a wise move to work with the ABC in order to offer more (and different) wines to the consumer. While there are some logistical issues to be worked out, the overall consensus from the Board was that this was a great idea and should be pursued. Patrick Duffeler and Kirk Wiles will take the lead and talk with Travis Hill to see what can be developed and report back to the Board at the December meeting. Annette has been working with ABC to promote Virginia wines in the stores for October Wine Month.

Chairman King is very interested in building the business in Washington DC. One suggestion was to select the top 10 restaurants in DC to partner with us. They would feature new Virginia wines, invite the trade, and promote the wines and restaurants all in one effort. Washington DC is our number one target market and we need to have more of a presence in that market. Annette is planning to develop partnerships with DC restaurants and will report back to the Board in December.

Annette told the Board about “content marketing” which is when we actually “own” the message. The WMO will create and distribute their own message. It’s important that the WMO can effectively control the process, including developing and gathering the content. This is something the WMO will work on this and report back to the Board.

### **Virginia Vineyards Association**

Prior to the meeting, information for the Virginia Vineyards Association report was posted on Board Docs. Bill Tonkins updated the Board on the VVA activities, including the work being done on the Commercial Grape report and the 2016 Winter Technical meeting.

### **Virginia Wineries Association**

Prior to the meeting, information from the Wineries Association was posted on Board Docs. Mitzi Batterson gave the Board the VWA report. Her report included an update on Governor's Cup activities, CQA, regulation round up sessions, and the annual meeting.

The VWA returned some unspent monies from the 2014 Governor's Cup. This was discussed at the last meeting. The Board required any unspent money to be returned, and not just carried over to make the accounting straight. As a result of unexpected expenses incurred at the Jefferson Hotel during 2016 Jefferson Cup, the VWA is requesting \$6,800 in additional funding. Steven Brown moved to fund this, Len Thompson seconded, and with no further discussion, the motion passed.

The VWA and Piedmont Virginia Community College certificate program is full and things are moving forward. This program is to develop an entry level work force development program.

### **Virginia Wine Council**

Prior to the meeting, information from the Wine Council was posted on Board Docs. Katie Hellebush gave the report to the Board. The highlights include the roundtable meetings that have been held around the state. The VWC was on Capitol Hill focusing on Federal issues that impact Virginia wineries. The VWC continues to monitor events happening at the county level, including zoning and land use issues as they impact Virginia wineries. The VWC is developing their priority list for issues to bring to the 2017 General Assembly session.

### **Research proposals**

Prior to the meeting, information for the research and education process was posted on Board Docs. Chairman King and Dave Robishaw reviewed how the process was done last year. The Board wants to keep the requests as broad as possible. The letter will remain as it was presented for the last cycle, with the addition of midnight as a "hard deadline" and correct the "no later than" deadline.

### **Wine Marketing Office RFP**

The current RFP expires this year and must be sent out again. The key portions of the RFP to be reviewed are the scope of work and the evaluation criteria. After discussion, this process is so important to the future of the industry that the Board wants to continue to discuss the scope of work for the RFP. The Board felt they needed more time to completely rework all aspects of the RFP to reflect the changes that have taken place in the industry since the RFP was first drafted. Bill Tonkins will take the lead on compiling ideas for the RFP and the Board will also independently compile their own ideas to

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share at the next meeting in order to have the RFP ready to send out by January 01, 2017.

**Next meeting and adjourn**

The next meeting of the Board was set for Tuesday, December 6, 2016 at the Wine Marketing Office in Richmond at 10:00 a.m.

With no further business, Chairman King adjourned the meeting at 5:05.