

FINAL Minutes
Virginia Wine Board
June 13, 2007
Virginia Department of Forestry
Charlottesville, VA

Present

William Moses
Rock Stephens
Luca Paschina

Doug Flemer
Patrick Duffeler
Jennifer McCloud

Dean Triplett
Ruth Saunders
Don Blankenship

Absent

Mills Wehner

Guests

David King
Kent Lewis
Ed Schwab
Denise Koff
Dustin McCracken
Steve Galyean
David Robishaw, Staff

Steven Jack
Chad Zakaib
Nicki Bazaco
Brock Herzberg
Wood Hudson
Terri Cofer Bierne

Willis Logan
Ann Heidig
Carole Rogin
Andrew Ingram
Diane Bechamps
Emma Randel

Opening Remarks

Chairman Moses called the meeting to order at 11:05 AM and welcomed the Board members and guests.

Approval of the minutes from the March 20, 2007 meeting

Prior to the meeting, Dave Robishaw distributed the draft minutes from the March 20th meeting to the Board members. After noting one correction in the attendance section, Dean Triplett moved to accept the minutes as presented. Doug Flemer seconded the motion and with no further discussion, the motion passed.

Virginia Vineyard Association Report – Rock Stephens

Rock Stephens updated the Board on a meeting in August in Williamsburg at the Williamsburg Winery. The meeting will include a discussion of biodiesel fuel and recycled oil. This may be a way for vineyards and wineries to save money. Two Virginia Tech research projects funded at the March 20 meeting were either cancelled or the funding request was reduced with a savings to the Board of \$8,627. With this additional money, the Board looked at the next project on the list, Dr. Pfeiffer's "Beneficial Insectary Plants to Enhance Anthropod Natural Enemies in Virginia" for \$7,940. Doug Flemer moved to fund this project, Patrick Duffeler seconded the motion, and with no further discussion, the motion passed.

General Assembly Update – Terri Cofer Bierne

The wine industry needs to continue to monitor the actions of County governments as they try to define what is “normal” business. The wine industry should become proactive on this issue and not allow counties to determine what are “normal” business activities. The wine industry continues to be concerned over immigration legislation and labor issues. Terri Cofer Bierne feels the upcoming General Assembly session will focus on issues arising from the legislation of the past General Assembly session.

“Virginia Green” – Tom Griffin

Tom Griffin from the Virginia Department of Environmental Quality made a power point presentation to the Board on the ways wineries can be a part of this initiative. Tom suggested to the Board that participating wineries could use their commitment to pollution reduction and prevention could be used as a marketing tool as well as saving money. While there was nothing specifically requested of the Board, Patrick Duffeler moved that the Board should support the concept of pollution reduction and prevention. Rock Stephens seconded the motion, and with no further discussion, the motion passed.

Wine Board Industry Survey Results

As a result of Senate Bill 1205, Kluge Estate Winery and Vineyard hired three University of Virginia students to conduct an extensive industry wide survey to collect data on how wineries operate. The goal was to establish what winery practices are “normal and customary” activities. The students presented the results to the Board. The survey is included in the minutes. The Board was impressed by the quality of the report and the depth of information available. It was decided the Virginia Wineries Association would continue work on this in fiscal year 2008. Rock Stephens moved to fund up to \$1500 to pay for the initial survey in the 2007 fiscal year and up to \$1500 in fiscal year 2008 to continue work on the survey. Patrick Duffeler seconded the motion, and the motion passed. There will be an industry working group, including representatives from county government, to define more of the issues and determine what is normal and customary.

Virginia Wineries Report – Ann Heidig

The Virginia Wineries Association (VWA) reported to the Board on their activities, including a recap of marketing events and the third quarter financials. The VWA also made a power point presentation to the Board on “Managing a Wine Industry” on the current status of the Virginia Wine industry. One key part of the presentation was the idea of “Virginia Wine Week” that would involve wine distributors, wholesalers, wine associations, tourism, and retail merchants association. A budget was presented to the Board, but no specific budget request was submitted. The complete presentation is included with the minutes. The Board deferred action until all proposals were heard.

Virginia Tourism Corporation and Leisure Publishing

Diane Bechamps with the Virginia Tourism Corporation made the opening presentation to the Board. Last year, Leisure Publishing took care of the actual printing of the Wine Guide and Virginia Tourism Corporation (VTC) handled the publicity and marketing of the Guide. Both groups made the same basic proposal to the Board to this year. The

new marketing slogan for the VTC is “Live Passionately” which is set to launch August 01, 2007. The entire proposal is included with the minutes.

Denise Koff with Leisure Publishing reviewed the distribution statistics for the Wine Guide this past year. The Board felt the Guide needed additional distribution channels, especially retail, for the northern Virginia area and Leisure Publishing will look into that possibility. Denise also gave the Board the new proposal for 2008, which will include 300,000 guides, a redesigned map, 2 free listings for wineries, and 4 pages in the Virginia Travel Guide. The total cost would be \$155,000, which is down from last year’s quote of \$198,795. The entire proposal is included in the minutes.

After some discussion, the Board decided it could not make an informed decision without a formal budget request from the VWA. Therefore, the Board decided to defer any budget decisions at this meeting and would schedule another meeting in July to formally adopt a budget. This will give all parties the opportunity to study the proposals and make a better decision.

Virginia Winery Profitability Study

In 2006, the General Assembly passed House Bill 1435 mandating the Office of the Secretary of Agriculture and Forestry conduct a study of the profitability of the Virginia Wine industry. At the time, the General Assembly did not provide funding for the study. Mr. William Dickinson, Deputy Secretary of Agriculture and Forestry, requested help from the Wine Board to pay for the study. The total cost of the study was \$36,000, of which the Secretary’s office would pay one third, the Virginia Department of Agriculture would pay one third, and the Wine Board would pay one third. Mr. Dickinson made a formal request that the Board pay for one third of the study. After a brief discussion, Dean Triplett moved the Board pay \$12,000 from the 2007 funds towards the cost of the study. Rock Stephens seconded the motion, and with no further discussion, the motion passed.

Old Business

There was no old business brought before the Board

Public Comment

Guests in attendance did participate in Board discussions.

Next meeting and adjourn

The next meeting will be held in early July, with the exact date set later. With no further business, the Board adjourned at 3:05 PM.

