

MINUTES

Virginia Wine Board
September 26, 2006
Virginia Department of Forestry
Charlottesville, VA

Present

William Moses
Mills Wehner
Jenny McCloud

Ruth Saunders
Patrick Duffeler
Dean Triplett

Rock Stephens
Doug Flemer

Absent

Luca Paschina

Guests

Harrison Wehner
Jim Elmore
Ann Heidig

Lindsay Potts
Tom Sleight
Tonya Rideout

Neil Williamson
Kerry Hannon

David Robishaw, Staff

Opening Remarks

Chairman Moses called the meeting to order at 11:10 AM and welcomed guests and new Board member Mills Wehner. Mills introduced herself and shared with the Board background information on her winery.

Approval of the Minutes from the August 18, 2006 Meeting

Prior to the meeting, Mr. Robishaw sent the Board copies of the minutes from the previous meeting. Mr. Duffeler moved to accept the minutes as presented, Mr. Flemer seconded the motion, and with no further discussion, the minutes were approved. The Chair asked Mr. Robishaw to send the two new Board members minutes from previous meetings to help understand what the Board has been doing.

Election of New Board Officers

The Chair asked the Board to consider who should be the next Chair and Vice Chair and be ready to vote at the next meeting.

Current Business

Members from the Wine industry met with Virginia Alcohol Beverage Control (ABC) officials to discuss opportunities for Virginia wineries to self distribute after the latest Virginia Attorney General's opinion. The ABC is still considering all their options and will seek input from the wine industry as well as the wholesalers.

The Secretary of Agriculture and Forestry will be conducting a study of the economic impact of the wine industry in Virginia. The deadline for completing the study has been pushed back until December 2006. The Secretary office will hire MKF to conduct the study, which will be much more in-depth than the one completed approximately 6 years ago. MKF will sample a cross section of wineries in an attempt to get more current data. There will be meetings scheduled in October where other interested parties can participate in the project, including Virginia Association of Counties (VACO), Virginia Agribusiness Council, Virginia Tourism Corporation, Farm Bureau, and others.

Mr. Duffeler brought to the Board's attention that the Virginia Wine Travel and Tourism Office is involved in promoting some of the regional wine trails, as it relates to tourism. Patrick does not want to see this office develop a separate marketing plan involving the wine industry without the knowledge or working relationship of the Virginia Wineries Association and the rest of the industry.

The Chair is meeting with the Secretary of Administration in an attempt to have the Governor's budget proposal include increased funding for the Wine Board. Both the House and Senate approve of increased funding, but money is cut during the budget battles. Including a larger amount in the Governors budget may help the industry hold on to more of the money.

Agreement with Leisure Publishing

The Chair reviewed the contract with Leisure Publishing, highlighting some of the commitments from Leisure to the industry. During the August 18, 2006 meeting the Board voted to grant up to \$200,000 to Leisure Publishing/VTC for the publication of the wine guide subject to negotiations between the wine industry and Leisure Publishing. Negotiations were successful with Leisure Publishing and there was a motion to ratify the contract with Leisure Publishing for \$198,795. The motion was seconded and with no further discussion, the motion passed.

Agreement with the Virginia Wineries Association

The Board and the Virginia Wineries Association worked out a new contract for the 2005-2006 year and the Board felt their was no need to write another contract. The Board will use the same contract with new dates and amounts. There was a motion to grant the Virginia Wineries Association \$180,000 to conduct wine marketing for the industry, less the wine guide. Mr. Duffeler seconded the motion, and with no further discussion, the motion passed.

At this point, the Chair suggested the industry needed to begin working now on marketing issues for the 2007-2008 fiscal year. Ms. McCloud and Mr. Stephens will serve as representatives from the Board and they will meet with the Wineries Association and other interested parties to begin to formulate a plan that will best serve the industry. They will report back to the Board at the spring meeting.

New Business

In light of the recent rulings by the Virginia Supreme Court, Mr. Flemer asked about the status of Virginia wines in the ABC stores. Ann Heidig answered that the Association is talking with personnel from ABC, but they are waiting for the appeal period to pass before moving forward. Mr. Duffeler suggested the industry continue to push ABC on this matter.

Mr. Flemer asked the Virginia Wineries Association if they had a standing committee dedicated to communicating and working with ABC. Ann Heidig said the Association does not have a dedicated group working directly with ABC but the Association would look into establishing a committee.

Public Comment

Neil Williamson of the Trellis Group told the Board of a reception in Washington DC that featured wines from Virginia, California, and South Africa. The wines from Virginia got consistently high marks.

Next Meeting and Adjourn

The Board did not set the next meeting. With no further business, the meeting adjourned at 12:05 PM.

Respectfully submitted:

William Moses, Chair

Dave Robishaw, Secretary

