

VIRGINIA VINEYARDS ASSOCIATION

January 13, 2008

Prospective Research & Education Grant Applicants
Virginia Wine Board

Dear Applicant:

The Virginia Wine Board is now accepting grant proposals for the fiscal year beginning July 1, 2008 and ending June 30, 2009. Enclosed are guidelines and criteria for all projects that you would like to have considered for funding during this time period. In an effort to simplify procedures and make it easier on researchers, the Virginia Wine Board has modified its procedures to mirror those utilized by the Viticultural Consortium East.

The deadline for receipt of your proposals is **February 1, 2008**. Send one (1) electronic copy of your proposal to vva@hughes.net and nine (9) hardcopies of the proposal to:

For Mail Delivery:

Virginia Vineyards Association
P.O. Box 91
Clifford Va. 24533

For UPS and Federal Express Delivery:

Attention Kay Thompson
1122 Roses Mill Road
Amherst Virginia 24521

If you have any questions about the proposal format or about this letter, please feel free to contact me at (434) 277-9463 or by email at the address listed above.

Sincerely,

Kay Thompson
Grant Program Administrator

REQUEST FOR PROPOSAL (RFP) FOR FUNDING BY THE VIRGINIA WINE BOARD

BACKGROUND

The law establishing the Virginia Wine Board (VWB) during the 2004 session of the Virginia General Assembly provided that funds be made available to encourage the increased productivity of all phases of grape and wine production in Virginia, and to provide for continuing orderly growth by sponsoring and encouraging research, education, promotion and marketing of Virginia wine, wine grapes and other fruit used in the production of wine.

The Virginia Wine Board will support efforts that address:

Vision 2015 (**Attachment A**)

Improved efficiency and profitability.

Product and process development and improvement.

Market development.

Quality assurances to create a sound foundation for future growth of the wine grape industry.

Proposals that meet these needs are requested.

ELIGIBILITY

Proposals for funding will be accepted from public and private entities, or may be initiated by the VWB. Joint proposals for the same project may be submitted by two or more individuals or organizations as one application.

Applications must demonstrate a proven ability to carry out all elements of the proposed project. Those applicants proposing to rely upon the expertise of another individual or organization to undertake any part of the project must clearly define the responsibilities of that party, as well as provide evidence of willingness and demonstrated ability to undertake that area of responsibility.

EMPHASIS ON TECHNOLOGY TRANSFER

The Virginia Wine Board has enhanced its emphasis on technology transfer and Extension education to facilitate rapid adoption of new knowledge, practices, and technology by grape producers. Examples of such projects are the development and delivery of a series of regional workshops on critical topics; development of a website or major print and/or electronic publications, development of curriculum and courses for distance education, or other new projects that disseminate knowledge of viticulture and enology and encourage adoption of new knowledge, practices, or technology. To encourage increased adoption by producers: 1) All applied research projects must contain a budgeted technology transfer component; and 2) A separate category for technology transfer has been created to encourage and support proposals specifically designed to address educational needs.

FUNDING PRIORITIES

An updated list of research and education priorities for Virginia is shown in **Attachment B**. The National Grape and Wine Initiative (NGWI) is a nationwide coalition representing grape growers, processors, wineries, and representatives of academic institutions and cooperative extension organizations committed to improving our industry. The vision of NGWI is to greatly increase the economic impact of the U.S. grape and wine industry by assuring outcome based funding to deliver innovative, prioritized, collaborative research, technology development, extension and education. The Virginia Wine Board also looks to NGWI for direction on national issues and research priorities. If applicable, please state how your proposal addresses the research priorities identified by the National Grape and Wine Initiative (NGWI). The priorities can be found at www.ngwi.org.

FUNDING DECISIONS/REVIEW PROCESS

Announcement of award decisions by the Virginia Wine Board will be made by mid-April, 2008. Final funding will be dependent on funds being received from the Virginia Legislature. Proposals submitted to the Virginia Wine Board will be reviewed by a committee of growers and wineries to evaluate how well they address the needs of the grape industry and for appropriateness of budget. Final approval of projects will be by the Virginia Wine Board at their spring quarterly meeting. For continuing projects, the progress reports will also be considered. **Attachment C** is a copy of Evaluation Criteria for Virginia Wine Board projects. Publications or presentations on research projects supported by the Virginia Wine Board shall provide the appropriate recognition that funding either whole or in part came from the VWB. The following statement must be added to acknowledge Virginia Wine Board support: "This research was partially (wholly) supported by a grant from the Virginia Wine Board".

GENERAL INSTRUCTIONS

- A. Deadline for receipt of proposal: **February 1, 2008**.
- B. Proposals are requested to be formatted as Word documents.
- C. For continuing projects, a progress report of no more than five (5) pages is also required, and is requested as a pdf file.

D. Questions may be addressed to:

Kay Thompson
Virginia Vineyards Association
P.O. Box 91
Clifford Va. 24533
Phone: (434) 277-9463
Email: vva@hughes.net

E. Nine (9) copies of your proposal should be sent to the following address to arrive no later than 1 February 2008.

For Mail Delivery:

Virginia Vineyards Association
P.O. Box 91
Clifford Va. 24533

For UPS and Federal Express Delivery:

Attention Kay Thompson
1122 Roses Mill Road
Amherst Virginia 24521

F. Send one (1) electronic copy of your proposal to **vva@hughes.net**

G. Any proposal received after the receipt deadline may not be considered.

H. Proposals will become the property of The Virginia Wine Board, and will not be returned.

I. Confidential information should not be included.

J. In the event that proposals are received that are inconsistent with the RFP or have budgets that are not within the scope of the VWB's assets, The VWB reserves the right to:

1. Inform the PI of changes that are necessary for the proposal to be considered;
2. Negotiate with PI to determine if an acceptable budget can be obtained by modifying the proposal.

K. Projects requesting continued funding should not make changes in the title or objectives. If an objective has been completed, it should be so stated in the proposal and written up in the Progress Report along with progress on the objectives that are being continued. If an objective is changed, or a new objective is undertaken, it should be incorporated into a new proposal.

L. The Virginia Wine Board reserves the right to reject any and all proposals that do not conform to the guidelines.

PROPOSAL FORMAT

Sections 1-3 should be no longer than 5 pages. The minimum font size for Sections 1-3 is 11 point; minimum margins 0.75 inches. Proposals must contain the following sections.

Section 1. Cover Page. Page 1

A. **Title of Project** – Indicate in bold type “New Project” or “Continuing Project”

B. **Investigators**, cooperators, and their affiliations and contacts, including phone & fax numbers and e-mails. Indicate percentage time commitment for each principal investigator.

C. **Type of Project** - Indicate “Research”, “Education” or “Extension”.

D. Please consult with cooperators prior to including their names on this proposal.

Section 2. Narrative. Pages 2-5

A. **Objectives:** Express specific aims of the project in clear, concise language. For

renewal proposals, restate the objectives included in the original proposal. If an objective has been completed, it should be so stated in the proposal and written up in the Progress Report along with progress on the objectives that are being continued. If an objective is changed, or a new objective is undertaken, it should be incorporated into a new proposal.

B. Justification and Importance of Proposed Research: Describe the previous work that has been done and the importance of the proposed research to the grape and wine industry.

C. Experimental Procedures to Accomplish Objective(s): Discuss the experimental procedures you propose to employ. Describe experimental methods and plot design data collection etc.

D. Technology Transfer Plan: Outline a plan for broadly communicating research results to a producer audience that encourages the application of new knowledge or technology.

E. Outcomes and Benefits Expected: (economic, environmental, etc.)

Section 3. Budget Information. Page 6 – Funds will be available July 1, 2008-June 30, 2009.

A. Budget: (provide details and a brief justification of each item)

salary and wages, including fringe benefits

supplies

equipment

travel

publication cost

Indirect Costs are not allowable in this program.

B. If this is a multiple year project, complete the following:

Year in which project began _____

Anticipated years remaining for project _____

Estimated total cost of project _____

C. If funding is also being sought from other sources to support the proposed project, indicate the following:

Source _____

Amount _____

PROGRESS REPORT FORMAT

A. Summarize Accomplishments/Benefits to date:

- Detailed Progress Reports of no more than 5 pages are required for continuing projects.

- Projects should provide a list of significant outreach activities and/or documents delivered to producer audiences. If possible provide measured or estimated adoption or other impacts of new knowledge, practices or technology.

B. Appendix (Please be brief. The appendix is not included in the six-page limit)

i. **Impact Statement:** Provide 1-3 sentences describing the impact of the project for incorporation into the Virginia Wine Board’s annual report to the legislature.

ii. **Publications:** List publications and presentations resulting from the

research/extension funded by the Virginia Wine Board.

iii. Tables and Graphs can be included in the Progress Report if it does not cause the report to exceed five pages. Additional tables and graphs may be submitted as an appendix to the Progress Report. If this is done, add the following statement at the end of the Progress Report: "Detailed data may be obtained by contacting

Kay Thompson

Virginia Vineyards Association

P.O. Box 91

Clifford Va. 24533

Phone: (434) 277-9463

Email: vva@hughes.net

ATTACHMENT A

Vision 2015: **A Strategic Direction for the Virginia Wine Industry**

Governor's Wine Study Work Group
June 2004

Vision 2015: A Strategic Direction for the Virginia Wine Industry serves as a blueprint for the development of Virginia's Wine Industry as a producer of wines that embody quality, character and value ... characteristics that are imperative to meeting consumer demands of the 21st Century and paramount to the establishment of Virginia as a producer of world-class wine. Vision 2015 has a lineage that traces back to President Thomas Jefferson's vision of Virginia as a leader in wine making, embodying that traditional vision into a formula that will drive the industry to success.

Vision 2015 was born out of the diligent work of Governor Mark R. Warner's Wine Study Work Group, an initiative to evaluate and develop recommendations for the enhancement of Virginia's wine industry. The Wine Study Work Group identified a critical need for the development of an industry strategic plan to serve as a guide for the industry's growth and development. The Group cited the experience of the Australian Wine Industry, including both the strengths and pitfalls in the rapid development of their industry, as providing valuable lessons for Virginia as the Virginia Wine industry enters its own rapid growth phase. One of the keys to success in Australia was the adoption of a strategic plan to which all sectors of the industry could subscribe; the Work Group decided that such an effort would provide a useful tool and that the Work Group should undertake the development of such a plan for Virginia.

Vision 2015 started as a traditional strategic planning process, namely, development of a strengths/weaknesses/opportunities /threats (SWOT) analysis for the Virginia Wine Industry, development of a vision/mission statement and the development of draft goals and strategies. The SWOT analysis, vision/mission, goals, objectives and strategies were refined and clarified through five meetings that obtained valuable insight and advice from numerous wineries, wine grape growers, wine distributors and wine industry support/service industry staff.

Vision 2015 serves as a guide to local and state policy affecting Virginia's wine industry, to the need for implementation of new and improved marketing strategies, to new strategies for supporting the industry through rigorous research/extension programs and through development of new financial tools to support entrepreneurs entering or expanding within the industry.

Above all, Vision 2015 presents a challenge to all segments of Virginia's wine industry, a challenge to strive for excellence in wine quality and quality verification, production and processing, marketing, distribution, research and extension, and public policy development.

Vision 2015: Vision Statement

By the Year 2015 the Virginia wine industry will double its market share within the Commonwealth and reach measurable sales on a national level.

Mission <i>An industry unified in its commitment to innovation and quality resulting in the production of world class wines in Virginia.</i>	Statement
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Wine Industry Strategic Plan

Objective		1
To improve the quality and uniqueness of Virginia wines.		
Strategies:		
1.1	<i>Establish and adequately fund vineyard and wine production research and testing programs to insure the highest quality practices and standards are identified and met.</i>	
1.2	<i>Develop an industry wide quality assurance program that addresses verifiable vineyard and wine production standards to insure the highest quality product within a specific market segment.</i>	

Objective		2
To enhance the image and reputation of Virginia wines and the Virginia Wine Industry.		
Strategies:		
2.1	<i>Develop a fully integrated marketing program focused on advertising, public relations and promotions to deliver a clear and positive message on the quality of Virginia wines</i>	
2.2	<i>Ensure that Virginia wines are highlighted through at least 15 favorable reviews by recognized national wine industry publications.</i>	
2.3	<i>2.3 Identify key wine industry publications and writers by wine market segment and target these for wine reviews.</i>	

Objective		3
To increase and expand the market share of Virginia wine sold in state, national and international markets.		
Strategies:		
3.1	<i>Develop and implement an aggressive and comprehensive marketing plan targeted to restaurants, distributors, retailers, consumers, media and wine publications.</i>	
3.2	<i>Conduct market promotional “blitzes” on particular Virginia wines at varying times of the year.</i>	
3.3	<i>Promote the health benefits of wine to consumers.</i>	
3.4	<i>Develop a promotional campaign under the slogan “Virginia Wineries: Next Big Thing.”</i>	
3.5	<i>Analyze market trends and evaluations of Virginia produced wine varieties such as Cabernet Franc and Viognier for promotional potential as a Virginia identity based wine (similar to Oregon’s Pinot Noir).</i>	
3.6	<i>Expand promotional activities for stable Virginia wines through unique branding (e.g. Chardonnay).</i>	
3.7	<i>Implement marketing activities to encourage all Virginia grocery retailers to dedicate additional shelf space for Virginia wines (goal of 10% shelf space).</i>	
3.8	<i>Implement marketing activities, training and educational programs to encourage</i>	

	<i>more Virginia restaurants to carry Virginia wines and to emphasize Virginia wine-by-the-glass sales.</i>
3.9	<i>Review, revise, and develop new appellation designations and vineyard designated labeling to tie wine production to a specific Virginia production region.</i>
3.10	<i>Encourage greater participation in national and international wine competitions for select Virginia wines that are recognized as meeting established quality assurance standards.</i>
3.11	<i>Develop and coordinate marketing activities in coordination with the Virginia Tourism Corporation for winery visitor profiling, increased national and international tourist visitation, and evaluating the feasibility of a Virginia Wine Trails Program.</i>
3.12	<i>Develop and distribute a Virginia Wine Guide.</i>
3.13	<i>Further develop consumer wine tasting opportunities for premium Virginia wines through the organization of high visibility state and regional food and wine tasting events.</i>
3.14	<i>Expand the use of wine tasting rooms to orient consumers to Virginia wines.</i>
3.15	<i>Develop tourist promotions that connect wineries to Virginia historical attractions.</i>
3.16	<i>Develop marketing strategies to increase distributor interest in Virginia wines and expand distributor sales in major market areas.</i>
3.17	<i>Promote the concept of Virginia wine as a “daily pleasure” to Virginia consumers.</i>
3.18	<i>Establish a consistent wine marketing “road map” with a clear focus on the strategies identified to achieve specified goals and an evaluation procedure to measure success.</i>

Objective		4
<i>To improve the profitability of vineyard and wine businesses in Virginia.</i>		
Strategies:		
4.1	<i>Expand activities to increase the profitability of existing vineyards and wineries.</i>	
4.2	<i>Develop cooperative activities or businesses for bulk purchasing of vineyard and wine production supplies and equipment.</i>	
4.3	<i>Establish a Virginia wine cooperative to conduct wine advertising, and provide distribution and shipping services.</i>	
4.4	<i>Identify an individual or organization to concentrate on improving the distribution of Virginia wines.</i>	
4.5	<i>Develop or expand Cooperative Extension Service Lab facilities for use by Virginia wineries for testing and evaluation of products to increase quality.</i>	
4.6	<i>Develop a listing of vineyard and wine production equipment available for lease.</i>	
4.7	<i>Develop a vineyard/wine industry services and product directory.</i>	
4.8	<i>Expand opportunities for greater mechanization through lease of specialized equipment such as mechanical harvesters.</i>	
4.9	<i>Expand Research and Extension programs for the development of efficient and effective pest management programs (disease resistance and prevention, insect management).</i>	
4.10	<i>Develop opportunities for cooperative purchase of crop protection materials.</i>	
4.11	<i>Develop “custom crush” as an opportunity to increase the production level of high quality Virginia wine.</i>	

4.12	<i>Develop wine and retail sales educational programs for winery tasting room staff.</i>
4.13	<i>Improve wine grape quality through expanded vineyard production educational programs for grape growers.</i>
4.14	<i>Establish and fund a winery consulting position to provide business management, accounting and finance services to wineries (Agricultural economics/business degree; Agricultural Business Extension Agent or Specialist).</i>
4.15	<i>Expand VA Tech wine industry technical training courses through regional course offerings at off-campus sites, on-line computer courses and Community College locations.</i>
4.16	<i>Develop and expand business and technical educational activities through Community College Workforce Training programs geared specifically towards wine industry training needs.</i>
4.17	<i>Institute or expand wine industry dialogue with private sector credit institutions on the economics and financial returns for vineyard and winery operations.</i>
4.18	<i>Continue the development of innovative wine grape cultivars that have the potential for the establishment of "Virginia-branded" high quality varieties (Cabernet Franc, etc.).</i>
4.19	<i>Identify and develop a program to address labor issues focused on obtaining and maintaining affordable labor resources (H2A Program).</i>
4.20	<i>Encourage stringent enforcement of existing Virginia wine laws regarding the use of Virginia produced grapes for the various classes of wineries.</i>
4.21	<i>Develop wine industry programs to increase demand and increase prices of Virginia wine.</i>
4.22	<i>Encourage increased wine retail, full-margin sales through the establishment and expansion of winery and winery owned or controlled off-site sales locations.</i>

Objective		5
To maintain (enhance) Virginia's rural character and beauty through the expansion of Virginia's wine industry.		
Strategies:		
5.1	<i>Conduct biennial surveys of consumers receiving VA wine literature to ascertain winery visitation rates, patterns, and experiences.</i>	
5.2	<i>Design and provide industry sponsored educational programs for local government officials, planning commissions, and zoning administrators on the local economic development, agri-tourism and farmland preservation benefits of the Virginia Wine Industry.</i>	
5.3	<i>Identify various county regulations affecting vineyard and winery establishment.</i>	
5.4	<i>Develop a database ranking of counties and regions for winery establishment or expansion based upon county zoning requirements, local taxation, land use assessments and farmland preservation incentives.</i>	

Objective	
Facilitate the development of complementary supply and service industries for the Virginia wine industry.	
Strategies:	
6.1	<i>Identify Virginia-based and regional companies that are manufacturing products that are currently being used by the wine industry (e.g. glass bottle manufacturers).</i>
6.2	<i>Identify potential manufacturers of complementary products and educate such companies on the potential market and business opportunity (e.g. wood product</i>

	<i>manufacturers for cooperage business).</i>
6.3	<i>Identify collateral industries such as hotels and restaurants and educate these businesses on Virginia wines.</i>
6.4	<i>Investigate technical and business feasibility of cooperage businesses with the VA Tech Department of Forest Products.</i>
6.5	<i>Investigate Kentucky and Tennessee cooperage firms that are producing oak barrels for the Bourbon Industry.</i>
6.6	<i>Organize a suppliers' fair to allow companies to showcase products and services for the wine industry.</i>

ATTACHMENT B

RESEARCH & EDUCATION PRIORITIES FOR VIRGINIA

VINEYARD EDUCATION ISSUES

Pest management: identifying/controlling diseases
Vineyard nutrient management: diagnosing deficiencies & toxicities
Pest management: selecting appropriate pesticides, mixing agents
Vineyard nutrient management: choosing type, rate, and application of fertilizers
Canopy management: shoot thinning, shoot positioning, hedging, leaf pulling
Under trellis floor management: herbicides, cultivation, mulch, cover crops
Crop management: cluster thinning, crop estimation
Winery relations: negotiating harvest contracts
Vine training: pruning/maintaining training systems
Pest management: identifying/controlling insects/mites

VINEYARD RESEARCH ISSUES

Variety/clone selection
Vineyard nutrient management: diagnosing deficiencies & toxicities
Pest management: identifying/controlling diseases
Rootstock selection
Soils: understanding impact of soils on vine growth, fruit characteristics
Under trellis floor management: herbicides, cultivation, mulch, cover crops

Organic or sustainable vineyard practices: alternative pesticides, compost teas
Pest management: identifying/ controlling insects/mites
Vineyard nutrient management: choosing type, rate, and application of fertilizers
Pest management: selecting appropriate pesticides, mixing agents

ATTACHMENT B

RESEARCH & EDUCATION PRIORITIES FOR VIRGINIA

WINERY EDUCATION ISSUES

Winery business management: complying with TTB, ABC, FDA regulations
Winery equipment: selecting equipment
Pressing: chilled vs. ambient temperature fruit
Grower relations: finding and keeping growers of quality fruit
Harvest contracts: negotiating prices by variety
Lab equipment:
Winery sanitation: ozone vs. traditional methods
Winery business management: business planning
Pre-harvest: berry sampling, crop estimation
Pre-harvest: understanding, and reducing effects of PM on fruit/wine quality

WINERY RESEARCH ISSUES

Fermentation: yeast selection
Pre-harvest: understanding, and reducing effects of PM on fruit/wine quality
Fermentation: enzyme use
Crush: whole cluster vs. destemmed fruit
Pressing: chilled vs. ambient temperature
Winery sanitation: ozone vs. traditional methods
Fermentation: tannin extraction
Pre-harvest: berry sampling, ripeness factors

Aging: micro-oxygenation
Bottling: screw caps vs. corks
Aging: tannin management

ATTACHMENT C

EVALUATION CRITERIA FOR VIRGINIA WINE BOARD PROJECTS

- I. Importance to the Industry based on VWB survey taken 2004 regarding the importance of research issues (5)
- II. Supports Vision 2015 (5)
- III. Potential to increase profitability and/or quality (4)
- IV. Likelihood that information will be transferred to and used by the wine industry (4)
- V. Expertise/Experience of researches to accomplish objectives (2)
- VI. Appropriately justified budget (2)
- VII. Research deliverables funded versus funding people (4)

Each number in parenthesis denotes the weight of the individual criteria.

Each project will be evaluated with a ranking of Low (1) to High (5)