

Final Minutes

Virginia Wine Board
March 20, 2007
Virginia Department of Agriculture
102 Governor Street
Richmond, VA

Present

William Moses	Rock Stephens
Luca Paschina	Patrick Duffeler
Doug Flemer	Dean Triplett
Don Blankenship	

Absent

Ruth Saunders	Mills Wehner
Jennifer McCloud	

Guests

Christie Bieber	Chris Breiner
Carole Rogin	Tonya Rideout
Annette Ringwood Boyd	David King
Kent Lewis	Steven Jack
Denise Koff	George Davis
Jennifer Ross	Donna Pugh Johnson
Brock Herzberg	Terri Beirne
Nicki Bazaco	
David Robishaw, Staff	

Opening Remarks

Chairman Moses called the meeting to order at 11:00 AM and welcomed the Board members and guests.

Approval of the minutes from the September 26, 2006 Meeting

Prior to the meeting, David Robishaw distributed draft copies of the meeting minutes from September 26, 2006. Patrick Duffeler 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 began the report with a review of a meeting held this fall at Veritas Winery. The VVA, working with the primary researchers at Virginia Tech, established a time line for soliciting and evaluating proposals, making recommendations to the Wine Board and receiving project reports. The VVA will also survey the entire industry every 3 years to assess industry concerns.

Dean Triplett presented to the Board the results of the research committee's efforts. The VVA committee listed the top proposals based on the results of the industry survey. The first seven projects are continuing projects, with only #8 being a new proposal. The last 3 proposals were important, but not as pressing as the other projects.

1) Dr. Baudoin-Survey of Grape Powdery and Downy Mildew....	32,991
2) Dr. Zoecklein-Lab Technical Assistant	60,412
3) Dr. Wolf-Wine Grape Cultivar Evaluation	13,983
4) Dr. Zoecklein-Wine Grape Cultivar Eval in VA's Southern Pied	16,020
5) Dr. Wolf-Optimized Grape Potential	20,679
6) Dr. Pfeiffer-Long Term Effects of Three Vineyard Pests	35,272
7) Dr. Bergh-Behavioral and Development Response of Grape Borer ...	3,136
8) Dr. Bergh-Identification of Behaviorally Active Compounds	10,058
TOTAL	192,551

Other projects submitted

Dr. Pfeiffer-Beneficial Insectary Plants	7,940
Dr. Zoecklein-Use of Hand Held Electronic Nose	20,190
Dr. Boyer-Refinement of Viticulture Suitability	49,160

During discussions, the Board felt it would be beneficial to meet again with officials from Virginia Tech to get them to fund the Laboratory Technical Assistant. Also, there needs to be some "deliverables" established for this very important position. Patrick Duffeler commended the VVA on their efforts regarding the research proposals. Patrick Duffeler then moved to fund the top 8 projects as suggested by the VVA pending final budget allocation with any unspent research funds going to the VVA to pay for the new industry survey. Doug Flemer seconded the motion and with no further discussion, the motion passed. The report from the VVA is included with the minutes.

Virginia Wineries Association Report

Tonya Rideout, substituting for Ann Heidig, delivered the Wineries Association report. Prior to the meeting, David Robshaw provided the Board with VWA marketing and financial reports. Tonya showed the Board a media kit, including a CD for the press. Tonya answered general questions on the financial data, including a request from Patrick Duffeler for a more detailed breakdown. Tonya felt the VWA would approach the Board for a FY 2007-2008 budget request similar to the past request. Dean Triplett moved to accept the VWA report, Rock Stephens seconded the motion, and with no further discussion, the motion passed. The VWA report is included with the minutes.

General Assembly Activity Report

Teri Cofer Beirne distributed a summary report of the wine related bills enacted during this session of the General Assembly. There were four main areas including legislation on self distribution, land use, consumer delivery, and employment of minors at wineries. The wine industry got relief in all these areas, though in some cases it was a less than ideal solution. On behalf of the wine industry and the Wine Board, Rock Stephens

offered his thanks to Teri, David King, and others for the work done getting this legislation passed. This report is included with the minutes. Copies of relevant bills that have been presented for the Governor's signature are included.

Leisure Publishing – Wine Guide report

Denise Koff from Leisure Publishing gave the Board an update on the Wine Guide, which was distributed at the meeting to the members. Denise reviewed the current distribution, marketing, and consumer fulfillment. The Board suggested that Leisure continue to work with the VWA on any Wine Guide fulfillment issues, which they are planning to do. The Leisure Publishing report is included with the minutes.

State Fair of Virginia

Jennifer Ross from the State Fair of Virginia made a report to the Board. The State Fair of Virginia is a "not for profit" organization and they are planning a wine tasting competition along with a label competition. They have lined up over 20 wine judges for the competition as well as marketing professionals to judge the label competition. The Fair is scheduled for September 27 to October 28 and are expecting approximately 250,000 people to attend.

National Wine Festival

Alex Papajohn made a presentation to the Board. He is planning a large indoor wine festival to be held in Richmond February 16 and 17, 2008. It will feature Virginia wines, with some other American wines as well as a few international wines. Alex was not looking for money, but rather seeking support for the concept. Luca thought the idea was long overdue and that Virginia should support the idea. Patrick Duffeler suggested this was a marketing function and suggested Alex work with the VWA. The Board took no official action. The National Wine Festival report is included in the minutes.

Virginia Wine Experience in London

Patrick Duffeler explained this wine competition to the Board. London is home to many wine writers and is able to attract international coverage. The Virginia Wine Experience in London has received financial support from Farm Credit of Virginia and others but is still in need of funding. They are asking the Board for \$5,000. Doug Flemer is opposed and does not think the Wine Board is the proper entity to ask for money. Luca Paschina supports the idea and makes a motion for the Board to allocate \$5,000 for the project. However, two Board members are also on the Virginia Wine Experience in London Board and removed themselves from the discussion. There was no longer enough members to vote and the motion was withdrawn. After further discussion, the Board suggested the VWA consider the proposal and decide if they would like to include it in their budget request.

Old Business

Road Signage - Mr. Moses reported the Virginia Department of Transportation (VDOT) has not implemented the plan laid out by Governor Warner or their own plans for interstate signs. The firm hired by VDOT to implement the plan has not contacted the wineries to get the signs in place. There has only been limited success across the

state. The Board feels it is essential to revive the talks with VDOT to get the signs in place, especially since there is a deadline approaching that would significantly increase the costs to the wineries. Patrick Duffeler is working with Jim Carr of VDOT and will invite him to attend the next meeting.

The Virginia Wine Profitability Study by MKF Associates – Mr. Moses requested a status report on this project and determine when it is due. It is important because it will affect the next budget. VDACS will try to determine the status of this report.

Wine Board Budget – Mr. Moses reported on his discussions with the Administration and the Budget Office. The Wine Board was supposed to have received an additional \$200,000 in this year's budget, but the request "fell through the cracks". There will be increased effort to push the Governor and the General Assembly earlier in the process to set aside the money. The wine tax revenue collected was relatively flat, but that was because there were no wine sales in ABC stores this year. The industry (Wine Board) receives far less in support than the total tax revenue collected.

Executive Director - The idea of having an executive director for Virginia wines would be a positive and effective step in the growth of the industry. Having an Executive Director would take a lot of pressure off all of those who are performing those duties now. If a job description and candidate qualifications could be developed, it may lead to a budget request for a position. Doug Flemer moved that the Board begin the process of developing job descriptions and qualifications for an executive director including where and for whom the executive director would work. Rock Stephens seconded the motion, and with no further discussion, the motion passed.

New Business

Election of Board officers – The Board elected new officers for the 2007-2008 year. Patrick Duffeler nominated to continue in the office of William Moses as. Doug Flemer seconded the motion and with no further nominations, the motion passed. The Board also elected a Vice Chair. Doug Flemer nominated Rock Stephens to fill the position of Vice Chairman. Patrick Duffeler seconded the nomination and with no further discussion the motion passed. These officers will perform their respective duties effective with this election.

Virginia License Plates – Dean Triplett asked the VWA to push this idea before the opportunity is lost. He suggested they include the Virginia Food and Wine Association.

Public Comment

There was no comment

Next meeting and Adjourn

The next meeting will be in June but the exact date will be set later. With no further business, the Board adjourned at 1:20 PM

Respectfully Submitted:

William Moses, Chair

Dave Robishaw, Secretary