

KENTUCKY GRAPE & WINE COUNCIL
October 30, 2012
StoneBrook Winery
Camp Springs, KY
1:00PM



MEMBERS IN ATTENDANCE:

REPRESENTING WINERY OPERATORS:	DENNIS WALTER
REPRESENTING WINERY OPERATORS:	LOGAN LEET
REPRESENTING WINERY OPERATORS:	CHUCK SMITH
REPRESENTING THE UNIVERSITY OF KY:	PATSY WILSON
REPRESENTING GRAPE GROWERS:	JEFF WILES
REPRESENTING TOURISM, ARTS & HERITAGE:	MONA JUETT

MEMBERS ABSENT:

REPRESENTING CITIZAN AT LARGE:	JOHN CARPENTER
REPRESENTING CITIZAN AT LARGE:	ROGER LEASOR
REPRESENTING GRAPE GROWERS:	BRUCE KUNZE
REPRESENTING THE KY DEPT. OF AGRICULTURE	KRISTEN BRANSCUM

OTHERS REPRESENTED:

REPRESENTING THE UNIVERSITY OF KY:	DR. TOM COTTRELL
REPRESENTING THE KY DEPT. OF AGRICULTURE	TYLER MADISON
REPRESENTING THE UNIVERSITY OF KY:	DR. TIM WOODS

Call to Order

Ms. Dennis Walter called the meeting of the Kentucky Grape & Wine Council (KGWC) to order at 1:01pm. Those present introduced themselves. Mr. Tyler Madison called the role and a quorum was confirmed.

Mr. Logan Leet made a motion to approve minutes from the previous meeting. Mrs. Mona Juett seconded the motion, all were in favor and the motion passed.

Financial Report

Mr. Madison reported that, to date, \$460,965.49 of grant funds allotted to the Marketing Cost-Share program has been distributed. Thus far, \$26,618.52 has been paid out for P1-12 (January 1-June30, 2012). For P1-12, 53 wineries opted-in with a cap set at \$950 per winery. To date, \$8,567.80 has been reimbursed for P2-12 in which 58 wineries opted-in at a cap of \$860 per winery.

A total of \$293,877.63 of grant funds allotted to the Wholesale Reimbursement program has been distributed. Thus far, \$16,713.39 has been paid out for P1-12 at a reimbursement rate of \$20 per case and a cap set at \$1,013 per winery, per distributor. To date, \$3,545.00 has been reimbursed for P2-12 in which 19 distributors representing 34 wineries opted-in at a rate of \$20 reimbursement per case at a cap of \$1,100 per winery.

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Economic Impact Study

Dr. Tim Woods of the University of Kentucky's Agricultural Economics Department agreed to attend the October KGWC meeting to discuss the ongoing Economic Impact Study and the challenges currently faced that are prohibiting completion. Dr. Woods reported that, to date, only 15 wineries had responded to the seven question survey he has sent multiple times that are required to compile a complete Economic Impact Study of Kentucky's Wine Industry. Of those 15 responding wineries, only three of the top ten had responded. Mr. Logan Leet asked what the most important missing facet was to completion of the study to which Dr. Woods emphatically responded was the total sales figures. Mr. Madison questioned whether it would be possible to eliminate any of the questions on the current survey and still complete an Economic Impact Study, stating that many wineries had voiced reservations to him over the length, depth and time required to complete the questions. Dr. Woods conceded that a question regarding specific equipment at each winery could be deleted from the survey without undue consequences.

Dr. Woods mentioned that it is not necessary to receive responses from every winery in Kentucky, but that the larger wineries are of the most importance with a handful of smaller wineries to provide a model that may be applied to wineries of similar size. Dr. Woods described a positive outlook for the completion of the study, stating that with the information he has received to date, the average Kentucky wine consumer spends \$28 on non-wine expenditures per visit, a figure higher than the four surrounding states. The Economic Impact Study will also prove valuable to wineries seeking Sunday sales from local governments, citing that Sunday is the second most popular day of the week to visit a winery.

After some discussion as to the best way to complete the study, it was decided that Dr. Woods would revisit the original survey, editing the content to concentrate the form to only necessary questions to complete the study. Dr. Woods would also compile a list of those wineries essential for completing the study and send said list to Mr. Madison and Mrs. Juett who in turn would contact the wineries in question. Meetings will be set up with the wineries to include winery owners/operators, Dr. Woods and Mr. Madison and/or Mrs. Juett.

KDA Staff Report

Virtual Wine Trail App:

As per an idea raised by Mr. Roger Leasor to develop a Virtual Wine Trail in the September KGWC meeting, Mr. Madison presented a plan with included budget to implement said wine trail. The Virtual Wine Trail, as proposed, will be in app format, compatible with Android and Apple Products and will be offered free of charge, promoted on all future advertising as well as the Kentucky Wine Website and the Kentucky Wine Facebook page. The app will allow users to utilize a virtual map without requiring personal information beyond age verification but will create a database of users wishing to participate in wine trails. The wine trails shall be broken up by region with wineries marked by drop pins which open specific pages of a winery with detail information, photos, styles of wine and capability for video. There will also be interactive directions and options for nearby amenities such as restaurants and hotels. The completion of a wine trail by a user will prompt an app administrator who can then make contact with the user and supply them with a small token (hat, key chain, glass, etc.). Wineries will also be able to advertise special events and sales on the homepage which will be update on a weekly basis.

The projected cost of the app development and implementation is \$15,750 plus \$5,000 maintenance in the first year for any oversights or changes that need to be made. Mr. Dennis Walter made a motion to

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approve \$20,750 from the Promo/Advertising budget for development and implementation of the Kentucky Virtual Wine Trail App. Mrs. Mona Juett seconded the motion, all voted in favor and the motion passed.

Mobile Kiosk:

Mr. Madison also presented a budgeted plan for the development of an educational and promotional mobile kiosk that may be moved between retail locations as well as conferences/trade shows. The mobile kiosk will work in conjunction with the Virtual Wine Trail app, utilizing the same data and format with advertising for the app on the graphics of the kiosk. The data, however, will be uploaded and not connected to the internet requiring no connections aside from standard outlets and disallowing users to access internet from the touch screen. As with the App, the kiosk will require age verification for use and additionally require users to enter zip codes for demographic research. The total cost is estimated at \$2,000 (\$975 for Kiosk, \$800 for touch screen monitor, \$225 for packaging). Mr. Dennis Walter made a motion to approve funds for one kiosk. Mr. Jeff Wiles seconded the motion, all voted in favor and the motion passed.

Holiday Posters:

Mr. Madison requested the council approve funds to create and print Kentucky Wine Promotional Holiday Posters to be made available to retail locations as well as wineries within the state. Creative cost and printing for 250 posters are estimated to cost no more than \$1,500. Mr. Chuck Smith made a motion to approve the development and printing cost for Holiday Posters. Mr. Logan Leet seconded the motion, all approved and the motion passed.

Legislative

No Report

Research Report

Vines are currently dormant, no new research to report.

Wholesale Distribution

No Report

Grower Development

No Report

UK Report

Kentucky has now reached 70 licensed Small Farm Wineries.

Adjournment

There being no further business, the meeting was adjourned at 2:15 pm.