

KENTUCKY GRAPE & WINE COUNCIL
February 17, 2016
KDA Office of Marketing
Frankfort, KY
1:00PM



MEMBERS IN ATTENDANCE:

REPRESENTING WINERY OPERATORS:	LOGAN LEET
REPRESENTING WINERY OPERATORS:	ANN KARSNER
REPRESENTING GRAPE GROWERS:	JENNY BEETZ
REPRESENTING GRAPE GROWERS:	BRUCE KUNZE
REPRESENTING TOURISM, ARTS & HERITAGE:	JOHN MALLOY
REPRESENTING CITIZENS AT LARGE:	ROGER LEASOR
REPRESENTING KY DEPT OF AGRICULTURE:	TYLER MADISON (PROXY)

MEMBERS ABSENT:

REPRESENTING WINERY OPERATORS:	DENNIS WALTER
REPRESENTING THE UNIVERSITY OF KY:	PATSY WILSON
REPRESENTING CITIZENS AT LARGE:	ANN BAKHAUS

OTHERS REPRESENTED

REPRESENTING KY DEPT OF AGRICULTURE:	KYLE KELLY
REPRESENTING AVA CONSULTING:	KATHERINE COTTERILL
REPRESENTING KY WINERIES ASSOCIATION:	CYNTHIA BOHN

Call to Order

Mr. Roger Leasor called the meeting of the Kentucky Grape & Wine Council (KGWC) to order at 1:05 pm. Mr. Kyle Kelly from the Kentucky Department of Agriculture (KDA) and Katherine Cotterill from AVA Consulting introduced themselves. Mr. Tyler Madison called the roll and a quorum was confirmed.

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

Committee Reports

Legislative:

Vineyard Expansion Grant/Statute Change: Mr. Kelly relayed that Commissioner Quarles has no issues with the language of the proposal to create a vineyard expansion grant utilizing existing funds. Commissioner Quarles has, however, expressed concern in requesting this statute change in the current legislative session. Mr. Kelly also noted that because the grant does not request additional funds, submitting a bill containing the statute change in a budget session is not compulsory.

Mrs. Ann Karsner made a motion to table pursuing the vineyard expansion grant until after July 15th, 2016. The motion was seconded by Mrs. Beetz. With no further discussion, all voted in favor and the motion passed.

SB 11: Ms. Bohn reported that there has been no recent movement on Senate Bill 11, an alcohol bill that includes items from the Kentucky Wineries Association (KWA) legislative agenda. Ms. Bohn speculated that there would be no further movement on the bill until after March 4th. For further info on SB 11, please visit: <http://www.lrc.ky.gov/record/16RS/SB11.htm>

KENTUCKY GRAPE & WINE COUNCIL
FEBRUARY 17, 2016 MEETING MINUTES

Research

None

Wholesale and Distribution

None

Grower Development

None (see Legislative)

UK Report

Mrs. Beetz informed the Council that on March 12th the Pendleton County and Campbell County Cooperative Extension Service will host a pruning workshop at Rose Hill Farm's vineyard. Participants will: Learn proper pruning techniques from UK Specialist, gain firsthand pruning skills for established and new vineyards, and receive disease prevention training.

Selection of KGWC Chair:

260.165 states, "The council shall select a chairman and shall meet at least once every three (3) months at the times and places the chairman designates."

Mrs. Beetz nominated Mr. Roger Leasor as the new Chairmen of the KGWC. The nomination was seconded by Mr. Logan Leet. Mr. Leasor agreed to the nomination and all voted in favor.

Financial Report:

Wholesale Reimbursement & Marketing Cost Share: The P2-15 Wholesale Reimbursement Grant has paid out the most money to wholesalers since 2010 (\$36,372) with roughly a month left before the deadline for submissions. On 2/10/16, emails listing remaining balances were sent to all grant participants. Caps for current P1-16 Wholesale Reimbursement Grant = 145 cases (\$2,900) per winery represented. Caps for current P1-16 Marketing Cost Share Grant = \$1,900

Promo Account: Mr. Madison reported that between expenses completed below the estimated costs, allocations for additional media that the Council has not yet used and the allotment for miscellaneous expenses remaining, the KGWC has \$20,541.61 of Promotional funds remaining for FY 15/16.

KDA Staff Report:

Advertising Agency Master Agreements: Nearly two months after the previous master agreements expired, the new state wide agreements have been announced. New West, who the KGWC previously used for all advertising work, was not awarded a contract. The new contracts are with Red 7e (advertising, marketing & digital), Brandy Carroll Hellige (advertising & marketing) and Doe Anderson (digital media). KDA is setting up interviews with each agency on February 25th to determine who they plan to work with. Mr. Madison will attend the meetings on behalf of the KGWC.

Economic Impact Study: Mr. Madison noted that Frank Rimerman + Co have an adequate amount of information from the wineries to complete that part of the study. They are still in need of vineyard and university information that will be provided by the University of Kentucky (UK). It was noted that no one in the meeting had yet received the vineyard survey from UK. Mr. Madison agreed to speak with Mrs. Patsy Wilson regarding the status of the survey and the information still needed to complete the study. Rob Morris from Frank Rimerman + Co will be invited to attend the March meeting through Fuze to provide a full update of the study.

KENTUCKY GRAPE & WINE COUNCIL
FEBRUARY 17, 2016 MEETING MINUTES

Ms. Ann Bakhaus Resignation of KGWC Seat: With regret, Ms. Bakhaus recently resigned her council seat stating a lack of sufficient time to devote to the KGWC. As such, there is currently a vacant Citizen at Large seat that needs to be filled. Mr. Madison noted that this seat has historically been filled by someone within the wholesale industry. Mrs. Karsner suggested Mrs. Rachel Peake at Capital Cellars would be a good addition to the Council. Mr. Leasor discussed the importance of having a wholesaler on the board because it represents another important part of the industry. Mr. Leasor suggested that Mr. Dan Meyer (Executive Director & General Council, Wine & Spirits Wholesalers of Kentucky) may be interested. It was agreed that Mr. Leasor discuss the opportunity with Mr. Meyer and that Mrs. Karsner also discuss the opportunity with Mrs. Peake. All applications from interested parties may be sent to Mr. Madison who will gather them for submission from the Commissioner to the Governor's office for appointment selection.

Proposals:

Winning Your Way Around Kentucky Book Purchase: Ms. Bohn agreed to discuss the possibility of a KGWC grant to KWA to purchase a number of books with the board and report back.

App Gifts: Mr. Madison reported that he needs to order around 150 t-shirts for app gifts prior to the spring. The cost will be slightly below \$1,500. **A motion was made by Mr. Leet for \$1,500 for 150 shirts. The motion was seconded by Mrs. Karsner, all voted in favor and the motion passed.**

Facebook Campaign: Mr. Madison noted that Facebook is now a pay play platform but still the cheapest and one of the most effective ways to advertise and let the KGWC's target audience know what's happening at wineries around the state. Typical cost works out around \$0.25 per 1,000 impressions so a little can go a long way. Mr. Madison suggested dedicating \$1,000 until the end of the year to run various campaigns and promotions, look at the numbers in July and determine if it's worth continuing. **Mr. Leet made a motion to approve \$4,000 of PROMO funds to Facebook advertising and promotional posts through June 30, 2016. The motion was seconded by Mrs. Karsner. In discussion it was agreed that Mr. Madison should establish numbers before boost and then report numbers after promotions have run. All in favor and passed.**

Northern KY Magazine: Interesting proposal to be the only provider of wine at the Best of Northern KY Event held at the convention center in Covington (1,100 attendees last year). The KGWC would need to provide the wine but it could be a good way to promote the Commissioner Cup winning wines plus a few gold medal wines potentially. Also includes full page color ad in magazine + a lot of other sponsorship presence. Cost: \$1,500 plus the cost of wine. **A Motion was made by Mrs. Beetz to approve \$1,500 plus the cost of wine. The motion was seconded by Mr. Leet; all voted in favor and the motion passed.**

Kentucky Monthly: Full page ad in April special Kentucky Derby Festival Schedule of Events (60,000 copies distributed) plus two small ads in April and September issues that will focus on wineries distilleries and breweries (promote app). Total cost: \$3,640.15 at discounted rate. Mrs. Karsner mentioned that the September issue could advertise the Commissioner Cup Gala. **A motion was made by Mrs. Karsner to approve \$3,640.15 of PROMO funds to Kentucky Monthly for a full page ad in the Kentucky Derby Festival Schedule of Events, a 1/9 page ad in the April issue and at least a 1/9 page ad in the September issue that Mr. Madison will attempt to negotiate to a larger advertisement. The motion was seconded by Mrs. Beetz; all voted in favor and the motion passed.**

WineBuzz: The Ohio based magazine publishes an annual issue (Sept/Oct) that focuses on Kentucky wine. This is a chance to ensure the KGWC is in charge of the content and it also gives the Council an opportunity to pass on some savings to wineries who want to advertise. With the marketing cost share reimbursement, a winery could place an ad in this issue for as little as \$150. The Council also has the ability to cap the sponsorship pages. Mr. Madison suggested the advertorial plus a maximum of three sponsorship pages. Total cost to the KGWC: \$3,100.00. **Mr. Leet made motion to approve \$3,100.00 for an advertorial plus a maximum of three sponsorship pages for WineBuzz's Sept/Oct issue. The motion was seconded by Mrs. Beetz, all voted in favor and the motion passed.**

KENTUCKY GRAPE & WINE COUNCIL
FEBRUARY 17, 2016 MEETING MINUTES

Announcements

See UK Report

Events

None

Adjournment

There being no further business to discuss, Mrs. Ann Karsner made a motion to adjourn at 2:55 pm.