

KENTUCKY GRAPE & WINE COUNCIL
February 20, 2013
KDA Office of Marketing & Product Promotion
Frankfort, 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:	DR. JOHN STRANG
REPRESENTING GRAPE GROWERS:	JEFF WILES
REPRESENTING GRAPE GROWERS:	BRUCE KUNZE
REPRESENTING CITIZAN AT LARGE:	ROGER LEASOR
REPRESENTING THE KY DEPT. OF AGRICULTURE	KRISTEN BRANSCUM
REPRESENTING TOURISM, ARTS & HERITAGE:	MONA JUETT

MEMBERS ABSENT:

REPRESENTING CITIZAN AT LARGE:	JOHN CARPENTER
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OTHERS REPRESENTED:

REPRESENTING THE GOAP	JOEL NEAVEILL
REPRESENTING THE KY DEPT. OF AGRICULTURE	TYLER MADISON
REPRESENTING THE KY DEPT. OF AGRICULTURE	KILEY PARKER
REPRESENTING THE UNIVERISITY OF KY	DR. TOM COTTRELL

Call to Order

Mr. Dennis Walter called the meeting of the Kentucky Grape & Wine Council (KGWC) to order at 1:05 pm. Those present introduced themselves. Mr. Tyler Madison called the role and a quorum was confirmed.

Mr. Jeff Wiles made a motion to approve minutes from the previous meeting. Mr. Roger Leasor seconded the motion, all were in favor and the motion passed.

Financial Report

Mr. Madison reported that, to date, \$476,399.30 of grant funds allotted to the Marketing Cost-Share program has been distributed. Thus far, \$27,954.56 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, \$21377.72 has been reimbursed for P2-12 in which 58 wineries opted-in at a cap of \$860 per winery.

A total of \$309,239.23 of grant funds allotted to the Wholesale Reimbursement program has been distributed. Thus far, \$17,228.39 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, \$15,485.00 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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Mr. Madison reported that caps for the P1-13 Marketing Cost-Share and Wholesaler Reimbursement Programs are considerably higher than caps set in P2-12 due to unencumbered funds rolled over from P1-12 that may now be calculated. Funds available for the P1-13 Marketing Cost-Share Program will total \$72,045.44 while funds available for the P1-13 Wholesaler Reimbursement Program will total \$57,771.61. With 54 wineries opting in to the Marketing Cost Share Program, caps per winery were set at \$1,250.00. With 35 wineries represented in the Wholesaler Reimbursement Program, caps per winery were set at \$1,640.00.

KDA Staff Report

State Wide Marketing Report:

Mr. Madison reported that the promo (Marketing) Account Balance after tallying expenses and committed expenses is \$55,140.65. Previously approved print ads aimed at promoting 100% Kentucky Proud wines have not been created, and are awaiting the launch of the 100% Kentucky Proud Campaign. As such, it is necessary to determine where the remaining funds should be directed with a suggestion of emphasis on the promotion of the Kentucky Wine Trail App.

Mr. Madison also reported that the often discussed, "Have you visited Wine Country Lately," tagline has been utilized in the upcoming Kentucky Monthly Co-Op Ad.

2013 Winery Guide/Maps

Mr. Madison reported that there are some delays in printing due to necessary edits in early January. The winery guides are currently in their final stages of printing and should be out very soon. 2014 Winery guides and website will replicate the color coated winery map utilized in the Wine Trail App and wineries will be divided by regions. As such, and with the tardiness of the 2013 launch, a fairly small run of 25,000 winery guides were printed this year.

Virtual Wine Trail App:

It was reported that work on the Virtual Wine Trail App continues on time and budget. Mr. Madison explained designs and features including: selection of winery by alphabetical list as well as regional maps, Kentucky Wine History, Passport booklet in which users may receive virtual stamps after entering codes provided by individual wineries, and winery pages with photos, information, directions, website, etc.

There was considerable discussion as to the division of regions. Mrs. Juett suggested that the regions match the established Kentucky Tourism regions. In an opinion reiterated by Mr. Smith and Ms. Branscum, by following Tourism's designations, users could easily link from the App to <http://www.kentuckytourism.com/maps/interactive/default.aspx> where they may access additional activities in the area as well as restaurants and accommodations. It was agreed to edit regional boundaries to match these predetermined regions.

Additionally, a general consensus was reached to allow the completion the wine trail to be attained by visiting seven wineries throughout the state and not region specific. Stamps (winery visits counting towards completion of the wine trail) will expire from a user's passport in one year.

Remaining Funds

As discussed in the January meeting, it will be necessary to promote the launch of the Kentucky Wine Trail App. New West will put together a media plan to run between April and the end of June to be

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presented at the next KGWC meeting. There will be an emphasis on digital advertising. Other necessary promotional items should include POP material and the creation of QR codes directed to the App.

Additionally, Mr. Kunze questioned the progress of creating new: 15 spots for television advertising. It was agreed that Mr. Madison should request creative and quotes from New West with an aim of producing new material prior to the Spring TV run and at least one spot directed at promoting Kentucky grapes.

Legislative

Mr. Leasor informed the Council of the background and progress of HB310, a bill drafted to overturn Judge Heyburn's recent ruling which would allow the sale of liquor and wine in grocery stores, convenient stores and dollar stores. Mr. Leasor additionally commented the Tourism Down by the River bill should pass and that a bill allowing alcohol sales on election days has a good chance of passing.

Research Report

Dr. Strang reported that seedless grape trials are ongoing at the University of Kentucky as well as researching vinifera clones and organic trials. Ms. Wilson is currently studying nitrogen levels on vine by variety and Princeton is currently working on crossing vinifera with muscadine.

Wholesale Distribution

No Report

Events

The first national Wine Tourism Day is scheduled for May 11th. Wineries are encouraged to plan special events which may be updated on the official Wine Tourism Day Website. Kentucky Wineries Association will host their second festival at the Bullitt County Fairground on May 3rd (Derby Eve). Kentucky Proud is the title sponsor at this year's Derby Festival Wine Fest.

Adjournment

There being no further business, the meeting was adjourned at 2:08 pm.