

KENTUCKY GRAPE & WINE COUNCIL
MARCH 21, 2012
LIQUOR BARN
DANVILLE, KY
1:00 PM



MEMBERS IN ATTENDANCE:

REPRESENTING WINERY OPERATORS:	Dennis Walter
REPRESENTING GRAPE GROWERS:	Jeff Wiles
REPRESENTING THE UNIVERSITY OF KY:	Dr. John Strang
REPRESENTING TOURISM, ARTS & HERITAGE:	Mona Juett
REPRESENTING CITIZAN AT LARGE:	John Carpenter
REPRESENTING CITIZAN AT LARGE:	Roger Leasor

MEMBERS ABSENT:

REPRESENTING GRAPE GROWERS:	Bruce Kunze
REPRESENTING KY DEPARTMENT OF AG:	Kristen Branscum
REPRESENTING WINERY OPERATORS:	Logan Leet
REPRESENTING WINERY OPERATORS:	Chuck Smith

OTHERS REPRESENTED:

KY DEPARTMENT OF AG:	Tyler Madison
REPRESENTING WINERY OPERATORS	Lowell Land
UNIVERSITY OF KENTUCKY:	Dr. Tom Cottrell
UNIVERSITY OF KENTUCKY:	Patsy Wilson
UNIVERSITY OF KENTUCKY:	Jeff Wheeler

Call to Order

Chairman Dennis Walter called the meeting of the Kentucky Grape & Wine Council (KGWC) to order at 1:08pm. Those present introduced themselves. Mr. Tyler Madison called the role and a quorum was confirmed.

Chairman Walter inquired if there were any questions or corrections to the previously submitted minutes from the January, 5th meeting. Dr. John Strang thought it possible that Patsy Wilson's UK report on Arkansas table grapes may need amendment for accuracy. Though recorded as absent in the previous minutes, Mona Juett, Logan Leet, Chuck Smith, John Carpenter, Bruce Kunze and Dennis Walter had all been in attendance. Mr. John Carpenter made a motion to accept the minutes presented contingent on the corrections mentioned. Mr. John Wiles seconded the motion and the motion passed.

Financial Report

Mr. Madison reported that, to date, \$420,969.67 of grant funds allotted to the Marketing Cost-Share program has been distributed. Currently, \$18,016.13 has been reimbursed for P2-11 (July 1-December 30, 2011) with 22 wineries reporting out of the 50 participants who chose to opt-in. For P1-12 (January 1-June30, 2012), 53 wineries opted-in with a cap set at \$950 per winery.

A total of \$275,597.44 of grant funds allotted to the Wholesale Reimbursement program has been distributed. Currently, \$20,234.80 at \$20 per case per winery has been reimbursed for P2-11 (July 1-December 30, 2011) with 15 Distributors

claiming reimbursements for 28 wineries reporting thus far. For P1-12 (January 1-June 30, 2012) 16 Distributors representing 37 Wineries opted-in with a cap set at \$1,013 (50.65 cases at \$20 per case).

Mr. Madison explained that the caps for this program period were set at the allotted grant allowances due to the not being able to ascertain a proper roll-over amount from P2-11. This is due to the possibility of pending reimbursements he could not account for before his acceptance to the position. A roll-over will be calculated for P2-12 on top of the allotted grant funds.

KVS Update

Mr. Lowell Land gave a brief report on the current state of the Kentucky Vineyard Society (KVS). Alicia McGuire, KVS Executive Director, is planning to attend Wines Unlimited in Virginia the following week. Mr. Land reported that Ms. McGuire, now a full-time paid employee, has been very instrumental in keeping KVS running efficiently; in particular ensuring that questions directed through the KVS website are now answered timely.

Mr. Land reported that the KVS secured a grant through the Agriculture Diversification Fund in the amount of \$515,000. Upon further clarification, it was explained that a bulk of this grant goes towards continuing the state enologist position as well as two technicians at the University of Kentucky. Annually, KVS will receive around \$25,000. The Executive Director will receive \$10,000 and the remaining \$15,000 will be used on educational programs such as seminars and the Winter Meet.

The first association membership with the KVS, a request the State made when determining funding, has nearly been completed with the Kentucky Wine Association.

KDA Staff Report

Mr. Madison reported that the current media plan is set and running through June 30, 2012. A new media plan for Fiscal year 2012-2013 will soon be available for review.

Proof ads by New West were passed around to discuss implanting a new marketing print ad campaign for the upcoming Fiscal year. Mr. Madison urged the KGWC to include a QR code on all future print media. Because of this, Mr. Madison suggested that the KGWC seriously look into creating a mobile version of the Kentuckywine.com website.

Dr. John Strang asked about the Kentucky Monthly app that includes a list of Kentucky wineries. Mr. Madison responded that the app is currently running and an updated wine list has been submitted to Kentucky Monthly who, in turn, updated the app with the current information. Chairman Walter suggested mentioning the app in future meetings to further the awareness of the app and its capabilities.

Mr. Leasor began a discussion on the ad proofs and it was agreed after some discussion that the two most popular proofs were, 1.) An ad containing a photo of a couple looking at a map in a Kentucky winery. 2.) An antiqued map of Kentucky pulling on the pioneering aspect of the Commonwealth's wine industry. It was suggested that the map the couple holds should be a visible map of Kentucky or something Kentucky oriented.

Mr. Madison reported that he has been in contact with the State Fair Board as well as Dr. Tom Cottrell and Ms. Patsy Wilson. The set-up of the 2012 State Fair will be largely identical to that of 2011 citing that any major changes in planning need to be enacted by January. Mr. Madison has submitted pre-approval for a grant of \$3,600 to be paid from the Kentucky Department of Agriculture to the Kentucky Vineyard Society to pay judges fees. Ms. Wilson has agreed to find judges and avowed to do so as soon as she knows the money is secured.

Chairman Walter asked of the council if they feel that the State Fair is a fair representation of the premier wine event for Kentucky or if there are other options that need to be pursued. The Kentucky State Fair was compared to other State Fairs

such as Florida and Indi International that appear to take the wine competition much more seriously. Chairman Walter asked the council if they would be interested in pursuing a more prominent even the following year. The general consensus voiced by Roger Leasor, John Carpenter and Chairman Walter was that it is imperative to change the way the State Fair wine competition is currently run and that if changes prove fruitless, it may be necessary to seek an alternative venue to act as Kentucky's preeminent wine event.

Dr. Tom Cottrell voiced that he had made it known last year that he no longer wished to work with the State Fair. He cited that the State Fair does a very poor job of promoting Kentucky's wine industry and that if significant changes are not enacted, it will be imperative to seek other venues. He specifically cited that entry prices are far too low at the current \$20 and should be elevated to at least \$40. He also said that the current condition of the State Fair Wine Competition along with the Kentucky Wine booth does little to nothing in terms of marketing Kentucky's wine industry.

Mr. John Carpenter noted that the increase of participation in the State Fair Wine competition has grown exponentially over the previous few years and that it may be time to approach the State Fair Board and, because of the success of the competition, ask for more support. Mr. Carpenter mentioned that at one time, the Board spoke of having a wine tent to serve those wines that medaled but that the conditions they offered (in an outdoor tent in the middle of August on pavement) was not a feasible venue to serve a delicate libation such as wine.

Ms. Mona Juett requested that Mr. Madison schedule a meeting with her and the State Fair Board as the State Fair is part of the Tourism, Arts & Heritage Cabinet.

Mr. Roger Leasor suggested that it may behoove the industry to look elsewhere, citing events such as the Northern Kentucky Wine Expo and the Lexington Winefest as venues to think about pursuing.

It was suggested by Chairman Walter that Mr. Madison send another email to the winery owners requesting them to supply the necessary information to Dr. Tim Woods (University of Kentucky Agricultural Economics Professor) so that he may complete his Economic Impact Study.

Chairman Walter mentioned a meeting he had attended for the possibility of creating a Kentucky Export Board that would act as a one stop shop of exporting Kentucky commodities. The board will be headed by Martha Lane Collins. They have asked for a letter of support from us, which Mr. Madison has worked. Chairman Walter entertained a motion to support the Kentucky Export Board. The motion is made by Dr. John Strang and seconded by Ms. Mona Juett. Motion passed.

Legislative Report

Mr. Roger Leasor reported that the Small Craft Distillery Bill looks as if it will be defeated and that the license for wineries to sell by drink only most likely will be defeated as well. Mr. Leasor mentioned that a positive aspect of these defeats may be that the interest has now been peaked.

Research Report

Ms. Patsy Wilson reported that the Agriculture Weather Specialist at the University of Kentucky are predicting that the weather patterns currently are mimicking those of 2007 in which warm temperatures early were followed by a late freeze.

Ms. Wilson mentioned that the University is starting a new Nitrogen project this year that will look at Nitrogen levels in different cultivars; both in the grapes and in the must. She went on to report that on top of the Nitrogen project, the University will be continuing their Organic project into this year and expect to receive positive data from this study.

Another study that UK has begun is a table grape project focusing on many cultivars from Arkansas. Mr. Jeff Wheeler expanded on the table grape project by explaining that they are studying around 300 plants in total with 10 cultivars. They

are hoping to uncover grapes that ripen later in the season with good acidity in a hotter climate. The Arkansas grapes show promise as Arkansas has a similar climate to that of Kentucky.

Wholesaler and Distribution

No Report

Grower Development

No Report

UK Report

Dr. Tom Cottrell reported that the Summer Field Day is scheduled for 6/3/12 and will be an all-day event. The first half of the day will be spent at the Horticulture Barn with PowerPoint Presentations followed by lunch. After lunch, buses will take attendees to and from the Horticulture Farm.

Dr. John Strang confirmed that the date for the 2013 Fruit and Vegetable Conference is now set for January 7-8. January 8th will serve as the date for the Grape & Wine short course. Mr. John Carpenter asked if there was a booth at the Conference in which Kentucky wines may be purchased. Dr. Strang said that there had not been in the past due to the Alcohol License of the Embassy Suites but that he would speak with them. It was agreed that a good alternative could be the restaurant and bar within the hotel serving Kentucky wines for the duration of the conference.

Announcements

Chairman Walter entertained a motion to present Ms. Stacia Alford with a plaque of appreciation from the KGWC for her service and hard work during her time with the Department of Agriculture. Mr. Roger Leasor made a motion to accept the proposal; the motion was seconded by Mr. John Carpenter. The motion passed.

Events

None

Adjournment

There being no further business, the meeting was adjourned at 3:15pm.