

KENTUCKY GRAPE & WINE COUNCIL
APRIL 16, 2012
KDA Marketing Office
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. TOM COTTRELL
REPRESENTING TOURISM, ARTS & HERITAGE:	MONA JUETT
REPRESENTING KY DEPT. OF AGRICULTURE:	KRISTEN BRANSCUM
REPRESENTING CITIZAN AT LARGE:	ROGER LEASOR

MEMBERS ABSENT:

REPRESENTING CITIZAN AT LARGE:	JOHN CARPENTER
REPRESENTING GRAPE GROWERS:	JEFF WILES
REPRESENTING GRAPE GROWERS:	BRUCE KUNZE

OTHERS REPRESENTED:

KY DEPT. OF AGRICULTURE:	TYLER MADISON
KY DEPT. OF AGRICULTURE:	BEN SHAFFAR
UNIVERSITY OF KENTUCKY:	PATSY WILSON

Call to Order

Chairman Dennis Walter called the meeting of the Kentucky Grape & Wine Council (KGWC) to order at 1:03pm. 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 March, 23rd meeting- no corrections were noted. Ms. Kristen Branscum motioned to accept the minutes and the motion was seconded by Mrs. Mona Juett. The motion passed.

Financial Report

Mr. Madison reported that, to date, \$429,335.79 of grant funds allotted to the Marketing Cost-Share program has been distributed. Currently, \$23,228.79 has been reimbursed for P2-11 (July 1-December 30, 2011) with 30 wineries reporting out of the 50 participants who chose to opt-in. For P1-12 (January 1-June 30, 2012), 53 wineries opted-in with a cap set at \$950 per winery.

A total of \$282,817.24 of grant funds allotted to the Wholesale Reimbursement program has been distributed. Currently, \$25,491.00 at \$20 per case per winery has been reimbursed for P2-11 (July 1-December 30, 2011) with 16 Distributors and 29 wineries reporting.

Mr. Madison reported uncovering a discrepancy in the MKTCS (Marketing Cost Share) account from P2-11 in which \$7,220.00 was incorrectly paid to Distributors. These reimbursements should have been drawn from the DISTCS (Wholesaler Reimbursement) account. As such, there was an unobligated

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shortage in the MKTCS account with a surplus in the DISTCS account. A one-time transfer was enacted to balance the accounts.

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 be available for review at the next KGWC meeting. This plan should double the previous year's budget and increase television presence significantly. A discussion on the effectiveness of NPR's radio spots and the possibility of cutting said spots from the new media plan ensued. Mr. Roger Leasor believes that NPR is a good outlet to reach a loyal and more affluent audience. Mr. Chuck Smith rebutted that from a personal survey conducted at Smith-Berry Winery, the NPR spots ranked dead when questioning where the public had been made aware of advertising for Kentucky wine. Mr. Smith suggested the possibility of maintaining radio advertising but looking into more widely appreciated local stations. It was decided to look at these possibilities further when compared to the proposed FY 2012-2013 media plan at the following meeting.

As per the previous meeting in which \$15,000 of funds from the PROMO (Promotion Marketing) account was allotted for television advertisements in the Western Kentucky market (Henderson, Bowling Green and Paducah), Ms. Branscum confirmed that the media buys are currently in the purchasing process.

The reemergence of the Kentucky Proud Cooking Show, aired on Lexington's Fox 56 and potentially purchased from other stations to run in various markets, was mentioned by Ms. Branscum. The show will include pairings of dishes with Kentucky wines and could potentially have episodes filmed entirely at local vineyards. As a positive outlet for the Kentucky wine industry, Mr. Carpenter made a motion to allocate \$30,000 for television ad spots up to June 30th. The motion was seconded by Chairman Walter and passed.

Mr. John Carpenter asked if there has been any attempt made to re-air the vintage KY video free of charge. Call for question, question called

A discussion ensued on the frustrations of Dr. Tim Woods' of the University of Kentucky not being able to complete the commissioned economic impact study of Kentucky's wine industry due to lack of data submitted by wineries. The legality issue of enacting a stoppage of grant funds to wineries that had yet completed the survey was raised. Mr. Bruce Kunze made a motion to make a condition of receiving funds contingent on their completion of surveys, though hinging on the legality of the issue. Logan Leet seconded; motion passed.

Research Report

Mrs. Wilson reported that the recent freeze proved quite devastating to many growers state wide but that not all growers were affected. Western Kentucky was hit particularly hard as well as areas in central Kentucky. The University of Kentucky's research vineyard lost 80-90% Vinifera. However, hybrids had less than 10% damage and the hybrid and Vinefera blocks are in strikingly close proximity.

Wholesale Distribution

No Report

Grower Development

Mr. Bruce Kunze discussed looking into a way to incentivize wineries to purchase KY grapes. Ms. Branscum believed that in order implement such a program, it would be necessary to change the current

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statutes set guiding how the grant funds may be used. Mr. Kunze asked if there may be wiggle room in the statutes for such a program and Ms. Branscum agreed to check with LRC.

Mr. Kunze spoke of the Kentucky Vineyard Society (KVS) Grant to aid grape production within the Commonwealth. KVS will help survey growers and winemakers to find out which varieties are most sought after and from that determine official grapes of Kentucky. Secondly, KVS is to develop a marketing program for said official state grapes and wines. Working in conjunction with KVS the KGWC will be asked to help market those varieties. Thirdly, there will be a push to see the “got grapes” program more comprehensive.

UK Report

Mrs. Patsy Wilson noted that the Kentucky Vineyard Society Field Day in conjunction with the University of Kentucky is scheduled for June 3rd. The event will take place in two locations with the first half of the day at the Good Barn and the second at the research farm located at Man O’ War and Nicholasville. Dr. Tom Cottrell will have a report for next meeting

Announcements

No announcements were reported

Adjournment

There being no further business, the meeting was adjourned at 3:07pm.