

**KENTUCKY GRAPE & WINE COUNCIL**  
**May 20th, 2015**  
**KDA Office of Marketing**  
**Frankfort, KY**  
**1:00PM**



**MEMBERS IN ATTENDANCE:**

REPRESENTING WINERY OPERATORS:	LOGAN LEET
REPRESENTING WINERY OPERATORS:	ANN KARSNER
REPRESENTING GRAPE GROWERS:	BRUCE KUNZE
REPRESENTING THE UNIVERSITY OF KY:	PATSY WILSON
REPRESENTING TOURISM, ARTS & HERITAGE:	JOHN MALLOY
REPRESENTING CITIZENS AT LARGE:	ROGER LEASOR

**MEMBERS ABSENT:**

REPRESENTING WINERY OPERATORS:	DENNIS WALTER
REPRESENTING KY DEPT OF AGRICULTURE:	KRISTEN BRANSCUM
REPRESENTING GRAPE GROWERS:	JENNY BEETZ
REPRESENTING CITIZENS AT LARGE:	ANN BAKHAUS

**OTHERS REPRESENTED:**

REPRESENTING WIGHT-MEYER WINERY:	JIM WIGHT
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**Call to Order**

Mr. Roger Leasor called the meeting of the Kentucky Grape & Wine Council (KGWC) to order at 1:19pm. Those present introduced themselves. Mr. Tyler Madison called the role and a quorum was confirmed.

Mr. John Malloy made a motion to approve minutes from the previous meeting. Mrs. Patsy Wilson seconded the motion, all were in favor and the motion passed.

**Financial Report:**

Only eight wineries are currently reporting for the P1-15 Marketing Cost Share Grant which is not uncommon at this stage of the program period

The Wholesaler Reimbursement Grant has good participation at this time but many of the Small Farm Winery Wholesalers consistently fall short of reaching the case cap.

Funds remaining for FY 2014/2015 Promo/Marketing are currently \$53,000 (this is due to canceled projects such as QA program, projects not pursued such as video production, projects that came in well under budget such as grant for KY Wine Event and projects that won't be complete until FY 2015/2016 such as the sweetness scale)

Transfer of funds: The Kentucky Department of Agriculture's (KDA) accounting staff adjusts funding at the start of the fiscal year to accommodate Mr. Madison's salary since the admin account only contains \$25,000. KGWC Member travel reimbursements exceeded estimation resulting in the admin account nearing depletion. A transfer of \$2,000 from marketing promotion to admin will balance the budget through the end of the fiscal year.

**A motion was made by Mr. Logan Leet to transfer \$2,000 from Marketing/Promotion to Admin. The motion was seconded by Mrs. Patsy Wilson, all voted in favor and the motion passed.**

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**KDA Staff Report:**

1. Centro Regional Digital Campaign: Centro was approached to discuss the feasibility of creating an additional digital media campaign with banner ads for individual wineries. The digital advertising firm recommended not allowing individual wineries to do their own banner ads citing difficulty in creating a rotation with enough frequency to be effective. They did, however, suggest creating a geographical campaign- direct those who view the ads in Louisville directly to North Central wineries region, in Nashville to South Central wineries, etc.

Centro recommended targeting an audience of wine drinkers age 25-54 with a banner campaign that would run for one month at 9x frequency of \$4.00 cost per thousand impressions with an estimate total of 5 million impressions within a 100 mile radius of Louisville, Lexington, Paducah, Nashville and Cincinnati. Total cost: \$20,000. In addition to the advertising fee, the KGWC would also need to calculate artwork of banner creation, approximately \$5,000.

Mr. Roger Leasor suggested that instead of expending funds to create a new digital media campaign, the council should invite wineries to an upcoming meeting- possibly July- and that as an industry, a decision should be made for a goal to accomplish with marketing funds. Once that goal is determined, the KGWC should have New West Advertising create a full media plan to accomplish said goal.

2. Economic Impact Study Proposals: Per instruction at the April KGWC meeting, Mr. Madison contacted a number of companies that provide economic impact studies for proposals. To date, Frank Rimerman + Co and Impact Data Source have provided full proposals. Anderson Economic Group has been in contact but not yet provided a proposal. Of the two proposals, Frank Rimerman was the cheaper (\$18,000 + out of pocket expenses vs. \$25,000 from Impact Data Source).

The question of how to ensure wineries participate in the study was again raised. It was agreed that prior to commissioning such a study, the KGWC needed a commitment of participation from the industry as well as a specific date for the study to be completed. Mr. Logan Leet suggested that Mr. Madison invite representatives from Frank Rimerman + Co to the June KGWC meeting via web conferencing to field the above stated and additional questions.

3. UK Proposal: Mrs. Patsy Wilson requested funding for costs related to hosting an enology course and a viticulture course to educate and aid the industry through the University of Kentucky (UK). In line with the success of previous field days hosted by UK, the proposed courses would offer education to growers and wine makers on a more advanced level led by industry experts. Mrs. Wilson estimated that venue space, speaker fees + travel, planning and expenses would not exceed \$7,000 per course.

A motion was made by Mr. Logan Leet to allocate \$14,000 of KGWC Marketing/Promotion funds to the University of Kentucky to sponsor an advanced viticulture and an advanced enology course for the further education for Kentucky's grape and wine industry. The motion was seconded by Mr. Bruce Kunze, all voted in favor and the motion passed

**Legislative**

Messrs. Kunze, Leasor and Madison, Mrs. Patsy Wilson and Mr. Neil Vasilakes (Kentucky Wineries Association) met with KDA staff attorney, Mr. Clint Quarrels on May 15<sup>th</sup> to discuss the recently approved proposal to create a new grant category for grower expansion that will require a statute change. Mr. Quarrels agreed to create a general outline with wording of the proposed change in statute with various options by the June 17<sup>th</sup> KGWC meeting. He also suggested that the KGWC host a Joint Interim Committee Meeting late in the summer in order to educate legislators as to what the KGWC is attempting to accomplish with a new grant sourced from existing funds. Mr. Quarrels will work on scheduling said meeting.

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**Research**

None

**Wholesale and Distribution**

None

**Grower Development**

Mr. Jim Wight of Wight-Meyer Vineyard and Winery briefly spoke about the importance of building a better foundation for Kentucky's wine industry. Mr. Wight mentioned that a few wineries are truly making the effort to be Kentucky wines (sourcing fruit from within the state) and those wineries need to be recognized.

It was widely agreed that Mr. Wight should attend the Interim Joint Committee Meeting that the KGWC & KWA will host as a testament to what the KGWC is attempting to accomplish.

**UK Report**

Mrs. Patsy Wilson reported that the two candidates interviewed for the newly created Extension Enologist position at the University of Kentucky were good but that both lacked the experience needed to satisfactorily carry out the duties of the title according to all members of the interview panel. Currently, UK is looking to explore other options.

**Adjournment**

With no further business to discuss, Mr. Logan Leet made a motion to adjourn at 2:47 pm.