

KENTUCKY GRAPE & WINE COUNCIL
July 17, 2013
Kentucky Eagle
Lexington, KY
1:00PM



MEMBERS IN ATTENDANCE:

REPRESENTING WINERY OPERATORS:	LOGAN LEET
REPRESENTING WINERY OPERATORS:	ANN KARSNER
REPRESENTING THE UNIVERSITY OF KY:	PATSY WILSON
REPRESENTING GRAPE GROWERS:	JEFF WILES
REPRESENTING CITIZEN AT LARGE:	ROGER LEASOR
REPRESENTING CITIZEN AT LARGE:	ANN MCBRAYER
REPRESENTING TOURISM, ARTS & HERITAGE:	HANK PHILLIPS (PROXY)

MEMBERS ABSENT:

REPRESENTING WINERY OPERATORS:	DENNIS WALTER
REPRESENTING KY DEPT OF AGRICULTURE:	KRISTEN BRANSCUM
REPRESENTING GRAPE GROWERS:	BRUCE KUNZE

OTHERS REPRESENTED:

REPRESENTING NEW WEST AGENCY:	JOE LILLY
REPRESENTING KY MALT BEVERAGE COUNCIL:	JASON BAIRD
REPRESENTING HIGH IMPACT PRODUCTIONS:	DOUGH HIGH

Call to Order

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

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

Financial Report

Mr. Madison reported that, to date, \$502,708.15 of grant funds allotted to the Marketing Cost-Share program has been distributed. To date, \$15,829.49 has been reimbursed for P1-13 in which 54 wineries opted-in at a cap of \$1,250.00 per winery. With the rollover calculated from P2-12 added to the allotted \$50,000 the funds available for P2-13 total \$64,755. With 51 wineries opted in, the cap per winery has been set at \$1,270 per winery.

A total of \$324,562.89 of grant funds allotted to the Wholesale Reimbursement program has been distributed. To date, \$17,470.26 has been reimbursed for P1-13 in which 35 wineries represented by 18 wholesalers opted-in at a cap of \$1,640.00 per winery. With the rollover calculated from P2-12 added to the allotted \$37,000 the funds available for P2-13 total \$56,655. With 39 wineries opted in, the cap per winery has been set at \$1,440 or 72 cases.

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KDA Staff Report

Wine Trail App Updates:

The Kentucky Wine Trails app publicly launched on July 2nd, 2013 through Press Releases and Facebook announcements. Prior to the launch and lasting through the month of July, an aggressive Facebook ad campaign has been implanted statewide as well as in major surrounding metropolitan areas that specifically target those with an interest in wine. Within the first full week, there were over 1,500 downloads.

Media Plan Updates:

Fiscal Year 2012/2013, it was reported, began with a balance of \$262,898 and, though not all expenses have yet been withdrawn, expenses for the year totaled \$244,015.41. Remaining funds equal \$18,883.63. Deposits totaled \$1,048.44. In addition to the aforementioned deposits, \$17,000 was transferred to the general marketing account from an account containing remaining grant funds. It was discovered that the 2007 Ag Development Fund Grant to the Kentucky Grape & Wine Council stated that the grant money may be used for “sponsoring wine competitions for Kentucky Wineries.” As such, the transfer of funds covered the costs of the previously approved \$17,000 grant to NKVGGGA for the first annual Kentucky Commonwealth Commercial Wine Competition & Commissioner’s Cup. The total rollover for FY 2013/2014 is \$36,932.07. When added to the new allotment of funds, the total marketing balance for FY 2013/2014 equals \$204,932.07.

Mr. Madison discussed Media Plan proposals for FY 2013/2014. The idea of an all-digital media plan that would focus on driving numbers to wineries through website visits and mobile app downloads was once again raised, citing a combination the following options/formats:

1. AdTheorent- Can fine tune to capture specific demographics (wine people) with cost per thousand. Users will have the ability to skip ahead but will have to watch a portion of the video
2. BrightRoll- Can capture specific interests and demographics such as AdTheorent but is a larger company with more history and pricing is set up at cost per view- in other words, the Council is only charged when someone views an entire video.
3. TapJoy is an app development company that specializes in advertisements on apps and tablet and phone gaming platforms. Tapjoy has the ability to geo-target and is also cost-per view with a huge demographic towards women over the age of 21 (stay at home mothers, etc.)

Mr. Logan Leet made a motion to approve the proposed \$62,000 digital media plan which would include two separate (Fall & Spring) campaigns with the option to monitor and alter targeted locations as well as formats. The motion was seconded by Mrs. Ann McBrayer, all voted in favor and the motion passed.

Vintage Kentucky II Documentary:

In addition to an all-digital Media Plan, Mr. Madison discussed retaining presence in the traditional television market by producing and airing a documentary on Kentucky Wine. Mr. Madison reported that he had met with Doug High who produced the first documentary (Vintage Kentucky) for the KGWC and is interested in completing a follow up documentary. Mr. High discussed with the Council how the proposed documentary would focus on how the industry has changed and grown over the course of five years. The production costs will be cheaper than they were in the first documentary due to advancements in technology and this documentary would focus on Kentucky as a serious up and coming wine industry

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and not an emerging oddity of former tobacco farmers. Mr. High has guaranteed that KET would not only air the documentary but bookended it with the first documentary before being syndicated to other PBS markets. Mr. Logan Leet made a motion to approve the proposed budget of \$38,500 to complete the documentary. Mrs. Ann Karsner seconded the motion, all voted in favor and the motion passed.

Legislative

Mr. Roger Leasor reported that Mike Hatzell is still awaiting a report from Rex and Diane Reid of Reid's Livery Winery in Alvaton. The Reid's are attempting to secure Sunday sales from SB 13 (a bill to end Election Day restrictions on the purchase of alcohol). This could be very important for Kentucky wineries seeking Sunday sales as it potentially allows local governments to tack on Sunday Sales approval when eliminating the Election Day sales ban. It was suggested that Mr. Madison speak with the ABC about having someone on the board who is a liaison to the council

Research Report & Grower Development

Mrs. Patsy Wilson reported that the University of Kentucky will offer a wine appreciation course as well as a course taught by Dr. Seth DeBolt focusing on wine and beer fermentation this fall. This spring semester, UK will offer an introduction to viticulture and wine making course. All classes require a minimum age of 21 to enroll. A recent press release regarding these new courses has garnered a large amount of attention.

Wholesale Distribution

No Report

Adjournment

There being no further business, Mr. Roger Leasor made a motion to adjourn the meeting, the motion was seconded by Mr. Jeff Wiles, all were in agreement and the meeting was adjourned at 2:58pm.