

KENTUCKY GRAPE & WINE COUNCIL
July 18, 2012
Horseshoe Bend Winery
Willisburg, KY
1:00PM



MEMBERS IN ATTENDANCE:

REPRESENTING KY DEPT. OF AGRICULTURE:	KRISTEN BRANSCUM
REPRESENTING WINERY OPERATORS:	LOGAN LEET
REPRESENTING THE UNIVERSITY OF KY:	DR. TOM COTTRELL (P)
REPRESENTING GRAPE GROWERS:	BRUCE KUNZE
REPRESENTING CITIZAN AT LARGE:	ROGER LEASOR
REPRESENTING CITIZAN AT LARGE:	TYLER MADISON (P)

MEMBERS ABSENT:

REPRESENTING GRAPE GROWERS:	JEFF WILES
REPRESENTING WINERY OPERATORS:	DENNIS WALTER
REPRESENTING WINERY OPERATORS:	CHUCK SMITH
REPRESENTING TOURISM, ARTS & HERITAGE:	MONA JUETT

OTHERS REPRESENTED:

REPRESENTING THE UNIVERSITY OF KY:	PATSY WILSON
HORSESHOE BEND WINERY:	ANN KARSNER

Call to Order

Ms. Kristen Branscum called the meeting of the Kentucky Grape & Wine Council (KGWC) to order at 1:20pm. Those present introduced themselves. Mr. Tyler Madison called the role and a quorum was confirmed.

Ms. Branscum made a motion to approve minutes from the previous meeting. Mr. Logan Leet seconded the motion and the motion passed.

Financial Report

Mr. Madison reported that, to date, \$438,170.23 of grant funds allotted to the Marketing Cost-Share program has been distributed. Thus far, \$12,391.06 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.

A total of \$286,446.63 of grant funds allotted to the Wholesale Reimbursement program has been distributed. Thus far, \$12,827.39 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.

As of 16 July, 2012, P2-12 (July1-December 21, 2012) caps have now been set. The Marketing Cost-Share cap is set at \$860 per winery with 58 participants. The caped amount for the Wholesaler Reimbursement Program for P2-12 is set at \$1,100 per winery, per distributor with 18 distributors, representing 34 wineries choosing to participate.

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KDA Staff Report

Media Plan:

As previously requested by the Kentucky Grape and Wine Council (KGWC), a revised 2012-2013 media plan proposal was submitted for review by New West Advertising Agency. The revisions to the media plan included additional advertisement for the month of June in Kentucky Living, Cincinnati market television spots for fall and spring, pre-rolled state-wide 0:15 internet video advertisements to include the Cincinnati market and the deletion of advertising in the Kentucky Beverage Journal. The total budget for the proposal is \$131,000.

The pre-rolled 0:15 internet video advertisements through Spot XChange will target adults 35-64 within the state of Kentucky & Cincinnati DMA with 1,833,333 impressions across a myriad of sites. There will be no sites involved that display "negative" content. Each spot must be viewed for a minimum of 0:08 before counting as an impression and bonus companion banner ads linked to the Kentucky Wine website will also appear. Spot XChange will generate weekly tracking reports.

An additional print advertisement in Kentucky Living was added, as previously requested, for June, 2013 to promote visiting wineries in summer months.

Included in the submitted media plan and unchanged from the previous proposal is a ½ page co-op ad in Kentucky Monthly for June, 2013 and broadcast television advertising shared with Kentucky Proud and at no cost to the KGWC. The shared advertising will appear in the Kentucky Proud Kitchen shows airing in Lexington, Louisville, Bowling Green and Evansville as well as 0:15 bookend spots to run in conjunction with Kentucky Proud spots during the Holiday weeks of: 11/26, 12/3, 12/10 and 12/17. Also unchanged from the previously submitted media proposal are supplemental holiday television bookend spots with Kentucky Proud for the Louisville, Lexington and Paducah Markets at a cost of \$22,401.75.

Standalone fall television advertising in the Cincinnati market for the weeks of: 11/26, 12/3 and 12/10 was added at a cost of \$17,000.

In addition to fall advertising in the Cincinnati Market, the spring television advertising was likewise readjusted to include Cincinnati amongst the previously submitted markets of: Bowling Green, Evansville, Louisville, Lexington and Paducah. The addition of Cincinnati to the spring television advertising raised the initial cost of \$38,204.55 to \$56,244.75.

After much discussion, a motion was made by Mr. Bruce Kunze to accept the new media plan contingent to removing Cincinnati fall TV at \$17,000 and, with those funds, adding the Bowling Green and Evansville markets to the supplemental Holiday TV to 100 GRP/week. Mr. Roger Leasor seconded the motion, all avowed favor and the motion passed.

The need for increased internet presence was raised by Mr. Logan Leet and discussed at length. At a relatively low cost and with no long-term contracts, the internet is a viable way to reach a wide demographic and instantly direct those reached to the Kentucky Wine website. Mr. Leet made a motion to set aside \$10,000 for website search optimization/internet advertising to be researched and purchased by Mr. Tyler Madison. Mr. Madison will be asked to submit a report at the September, 2012 KGWC meeting on advertising purchased, tracking of said advertising and recommendations of continuation and future funding. Mr. Bruce Kunze seconded the motion, all present declared favor and the motion passed.

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State Fair:

Dr. Tom Cottrell reported that the Kentucky Vineyard Society (KVS) passed a motion to approve changes to the grant from the Kentucky Department of Agriculture (KDA) for Judge's stipends at the 2012 Kentucky State Fair (KYSF). The amendments to the grant will allow judges stipends to be set at \$200 as opposed to \$300 with \$70 allotted to cover the cost of a team building dinner on the eve of the competition. There will be 132 wines judged at the 2012 KYSF.

Legislative

Mr. Roger Leasor reported that Representative Arnold Simpson, D-Covington, has written a bill to allow Kentuckians to purchase alcohol on Election Days. Currently only Kentucky and South Carolina still maintain laws prohibiting sales of alcohol on election days. Though the bill only addresses Election Day sales, the long term hope is that a bill of this nature may act as a catalysts in implementing more progressive alcohol laws throughout the Commonwealth.

Research Report

Mrs. Patsy Wilson relayed that UK did not receive much damage from the spring frosts so they are on track and harvest should be one to two weeks early this year. Future updates may be located on the new UK Vines News.

Wholesale Distribution

No Report

Grower Development

Mr. Bruce Kunze discussed the necessity of aiding growers by educating the public through promotions of Kentucky wines utilizing Kentucky grapes. Ms. Branscum mentioned the new 100% Kentucky Proud Marketing initiative that is set to soon launch in which Kentucky products produced with 100% Kentucky ingredients will now be highlighted. It was seen as an opportunity amongst the members to utilize the 100% Kentucky Proud campaign as a spring board for launching a campaign to promote wines made with Kentucky grapes. Mr. Leet suggested that once the 100% Kentucky Proud campaign launches, the KGWC should approach New West to roll out educational advertising focusing on Kentucky wine made from Kentucky grapes, (i.e. "Look for Kentucky on the label, that means your neighbors grew this.")

Mr. Kunze moved that the KGWC ad campaign for next fiscal year focus on wines made from 100% Kentucky Fruit. Roger seconded, all approved. The motion passed.

UK Report

No Report

Adjournment

There being no further business, the meeting was adjourned at 3:55pm.