

**KENTUCKY GRAPE & WINE COUNCIL**  
**July 19, 2017**  
**Kentucky Department of Agriculture, Office of Marketing**  
**Frankfort, KY**  
**1:00PM**

MEMBERS IN ATTENDANCE:

REPRESENTING GRAPE GROWERS:	JENNY BEETZ
REPRESENTING GRAPE GROWERS:	BRUCE KUNZE
REPRESENTING KY DEPT OF AGRICULTURE:	MELANIE BLANDFORD
REPRESENTING THE UNIVERSITY OF KY:	PATSY WILSON
REPRESENTING WINERY OPERATORS:	ANN KARSNER
REPRESENTING WINERY OPERATORS:	LOGAN LEET

MEMBERS ABSENT:

REPRESENTING CITIZENS AT LARGE:	VACANT
REPRESENTING CITIZENS AT LARGE:	VACANT
REPRESENTING TOURISM, ARTS & HERITAGE:	JOHN MALLOY
REPRESENTING WINERY OPERATORS:	VACANT

OTHERS REPRESENTED

GOVERNOR'S OFFICE OF AG POLICY:	STEPHANIE OSTERMAN
TRAVELHOST BLUEGRASS:	ELI MERTENS
TRAVELHOST GREATER LOUISVILLE:	NICOLE BISCHOF
KDA / KGWC PROGRAM MANAGER:	TYLER MADISON

**Call to Order:**

Mr. Logan Leet called the meeting of the Kentucky Grape & Wine Council (KGWC) to order at 1:20 pm. Mr. Tyler Madison called the role and a quorum was confirmed.

Mr. Bruce Kunze made a motion to approve minutes. Mrs. Jenny Beetz seconded the motion, all voted in favor and the motion passed.

**Financial Report:**

**Wholesale Reimbursement & Marketing Cost Share:** Due to the effectiveness of the Grant Rollover Plan enacted by the KGWC in 2016, the amount of rollover for P2-17 grants totaled \$8,000. This may be compared to \$62,000 of total rollover for the P2-16 grant period prior to the Grant Rollover Plan's implementation. As a result, caps set for P2-17 are significantly lower than past program periods with the Wholesaler Reimbursement cap set at 55 cases per winery.

FY17 concluded with PROMO expenditures totaling \$198,415.44 after final billing. The most recent marketing initiatives have included necessary app updates, summer digital media placements, app posters and LEX and SDF airport baggage claim advertising.

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**KDA Staff Report:**

**Drink KY App:** Android and iOS versions are both now live and operating. There have been issues with some location's GPS geo-fenced locations and admin features to create/edit new locations. The developers have remedied the issues and added over-ride capability for GPS coordinate locations to admin settings. Final beta testing will conclude by 7/29/17. The update will then be submitted to Apple and Google Play for approval and should be live within 2-3 weeks.

**FY18 Marketing Plan Discussion:** A few annual expenses have been earmarked for consideration but not yet voted upon. These expenses include: app promo items, KWA Grant for the annual wine competition/awards ceremony, Kentucky winery guide design and printing, mailing, seminars, UK Grant for advanced industry workshops, and Red7E retainer outside of approved projects. Also included in the proposed budget are potential expenses including: sweetness scale point of purchase items and Institute of Masters of Wine Stage 2 tuition and travel expenses.

Mr. Madison noted that he plans to meet with Red7E prior to the August KGWC meeting to formulate potential media campaign(s) for council consideration. The main focus of FY18 media will be geo-targeted digital to promote the app and drive traffic directly through tasting room doors where more than 75% of Kentucky wine sales are currently made. Other potential consideration will involve a limited holiday campaign as well as preliminary industry research with UK to determine a specific wine style of Kentucky to unite the industry and market a clearer identity to consumers.

Mr. Bruce Kunze made a motion to fund Stage 2 of the Institute of Masters of Wine Program to include tuition fees and travel not to exceed \$16,000 in FY18. Mrs. Patsy Wilson seconded the motion, all voted in favor and the motion passed.

Proposals:

- TravelHost Magazine: Mr. Eli Mertens (TravelHost Bluegrass) and Ms. Nicole Bischof (TravelHost Greater Louisville) presented a joint 2018 Kentucky Wine Special Marketing Promotion. The proposal consists of an 8 page 70# Cover Stock Kentucky Winery Guide insert in four 2018 publications (March/April in Bluegrass, March/April/May in Greater Louisville and September/October in Bluegrass, September/October/November in Greater Louisville). The KGWC would have complete control over the content of the insert with all design and production costs covered by TravelHost. In addition to the four inserts, the KGWC will receive 20,000 copies of the 8 page winery guides. Additionally, insert months will include website banner ads and Facebook Promotions. The remaining publication that do not include the inserts in 2018 will include a half-page ad, half-page story, spotlight listings and Facebook promotions with the option to purchase rights to the cover of one Greater Louisville and one Bluegrass magazine. Total proposed cost, \$24,500.

Mrs. Ann Karsner made a motion to accept the proposal for \$24,500. Mrs. Patsy Wilson seconded the motion, all voted in favor and the motion passed.

Mrs. Ann Karsner made a motion to approve the cost of securing two covers, March/April/May of Greater Louisville and September/October of Bluegrass TravelHost not to exceed \$5,000. Mrs. Jenny Beetz seconded the motion, all voted in favor and the motion passed.

- The WineBuzz Magazine: Proposal for the September issue to feature a 350 word advertorial plus 6 individual co-op ads at \$350 each for \$1,000. Additionally, the proposal includes a branded special section of co-op ads for individual Kentucky wineries ranging in price from \$300 (1/8 page) to \$2,400 full page. Each branded special section costs \$700 with reduced pricing for wineries.

Mr. Bruce Kunze made a motion to approve the \$1,000 advertorial section in The WineBuzz magazine as well as a maximum of two branded special section pages. Total approved costs, \$2,400. Mrs. Ann Karsner seconded the motion, all voted in favor and the motion passed

- Mrs. Karsner discussed the potential benefits for the Kentucky Grape & Wine Council to sponsor the Mid America Beverage Exposition & Conference in St. Charles, MO. The conference will take place March 14-16. Mr. Madison agreed to look into what a sponsorship would entail and report back at the August meeting.

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**Committee Reports:**

**Legislative**

No Report

**Research**

No report

**Wholesale and Distribution**

No report

**Grower Development**

See UK Report

**UK Report:**

Mrs. Patsy Wilson reported that July 20<sup>th</sup> is the public release that UK will have a Small Farm Winery license. There has been ample discussion with the Kentucky Wineries Association to ensure that there is clarification as to the intentions of UK maintaining a Small Fam Winery license and to ensure that the wineries are aware that there will be no direct competition.

There will be a grape growing/winemaking field day at the UK research farm in Lexington on July 24<sup>th</sup>.

**Events**

None

**Announcements:**

None

**Adjournment**

There being no further business to discuss, Mrs. Ann Karsner made a motion to adjourn at 3:37 pm.