

KENTUCKY GRAPE & WINE COUNCIL
August 20, 2014
StoneBrook Winery
Camp Springs, KY
1:00PM



MEMBERS IN ATTENDANCE:

REPRESENTING WINERY OPERATORS:	DENNIS WALTER
REPRESENTING GRAPE GROWERS:	JENNY BEETZ
REPRESENTING WINERY OPERATORS:	LOGAN LEET
REPRESENTING WINERY OPERATORS:	ANN KARSNER
REPRESENTING KY DEPT OF AGRICULTURE:	TYLER MADISON (PROXY)
REPRESENTING CITIZEN AT LARGE:	ROGER LEASOR

MEMBERS ABSENT:

REPRESENTING GRAPE GROWERS:	BRUCE KUNZE
REPRESENTING CITIZEN AT LARGE:	ANN MCBRAYER
REPRESENTING THE UNIVERSITY OF KY:	PATSY WILSON
REPRESENTING TOURISM, ARTS & HERITAGE:	JOHN MALLOY

OTHERS REPRESENTED:

REPRESENTING THE UNIVERSITY OF KY:	DR. TOM COTTRELL
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Call to Order

Chairman Dennis Walter called the meeting of the Kentucky Grape & Wine Council (KGWC) to order at 1:35 pm. Those present introduced themselves. Mr. Tyler Madison called the role and a quorum was confirmed.

Chairman Walter made a motion to approve minutes from the previous meeting. Mrs. Jenny Beetz seconded the motion, all were in favor and the motion passed.

Financial Report

-Mr. Madison reported that a total of \$590,268.25 of grant funds allotted to the Marketing Cost-Share program has been distributed. To date, \$21,938.99 has been reimbursed for P1-14 in which 56 wineries opted-in at a cap of \$1,000.00 per winery.

-A total of \$372,653.90 of grant funds allotted to the Wholesale Reimbursement program has been distributed. To date, \$16,446.07 has been reimbursed for P1-14 in which 44 wineries represented by 20 wholesalers opted-in at a cap of \$1,470.00 per winery.

-Deadline for P1-14 reimbursement request is September 28, 2014. Reminders will be sent to wineries and wholesalers at the end of August and once again on September 15.

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-The P2-14 Marketing Cost-Share cap was set at \$1,400 per winery with 56 wineries opted-in. For the P2-14 Wholesaler Reimbursement, caps were set \$1,620 (81 cases) with 18 wholesalers representing 42 wineries.

KDA Staff Report

Fall/Spring Digital Media Plan

Mr. Madison mentioned that Centro, the digital media firm the KGWC is working with, strongly suggested that with the allotted digital marketing budget, the KGWC should remain in three main markets (last year's markets were Cincinnati, Indianapolis and Kentucky). Beyond three markets, advertising will become spread too thin. Cincinnati and Indianapolis both performed very well last year and it's Centro's recommendation that Kentucky Wine has not yet tapped into the markets fully. However, with the flexibility of digital advertising, the KGWC can track and switch markets mid campaign if they so desire (i.e. target Indianapolis and Cincinnati for two weeks and then switch to Nashville and Knoxville).

Mr. Logan Leet opined that Kentucky's wineries draw more from the north historically than from the south.

Sweetness Scale Program:

In the previous board meeting (see July 22, 2014 Minutes for further details) the KGWC approved \$20,000 for the creation and implementation of a voluntary state wide sweetness scale. Design of two scale options has commenced- the first is a full scale design and the second, for labels with size restrictions, will only contain the number identifying the sweetness incorporated into an altered version of the Kentucky Wine logo. POP literature explaining the sweetness scales will also require design and printing as well as design and implementation of a media plan. The program will launch with stickers made available to wineries to adhere to current bottles with the digital files of the designs accessible for future inclusion in label design.

Dr. Cottrell made it known that although only one scale of levels of sweetness will be for public consumption, the wineries will use two scales to accurately describe their wines: one for residual sugar with marked acidity and one for residual sugar without marked acidity.

The scale will range from 1-6 (1 being the driest wine and 6 being a very sweet wine). Mr. Madison will work with Dr. Cottrell to create the scales with specific measurement for wineries.

Voluntary Quality Assurance Program:

Mr. Madison said that he felt that the goal of such a program is to promote and market quality Kentucky wines to the retail consumer. A QA program should promote local agriculture, set standards of quality within Kentucky and reassure the public that the product is worth purchasing. Dr. Cottrell weighed in that although how the wine is made is a big priority the focus of a QA program should be about how it tastes for the consumer.

Chairman Walter questioned whether the program should only be for wines produced from KY fruit or if it should be eligible to all wines produced in Kentucky. Chairman Walter went on to note that the program may be better received if there was representation by all functioning winery organizations in the state and all organizations could agree on program guidelines and regulations. It would be prudent to create a board comprised of representatives from: the Kentucky Wineries Association, the Kentucky

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Vineyard Society, the Northern Kentucky Vintners & Grape Growers Association and the Kentucky Grape & Wine Council.

Mr. Leasor suggested launching the program with only basic chemical analysis to see if there's a benefit to the wineries that participate and then at a later date consider adding a sensory analysis.

Mrs. Karsner mentioned that it is necessary to ascertain the costs of such tests and if the participating wineries may in some way be compensated for the testing fees.

Mr. Leasor noted that it needs to be made abundantly clear that participation in such a program is completely voluntary.

Chairman Walter suggested that a letter be created inviting representation from each winery organization at the October 15th meeting to discuss the feasibility of a QA program and talk through any issues that may arise. The October 15th meeting should have a very brief agenda and focus primarily on a QA discussion.

As discussions continue to the formation of such a program, detailed below are operating procedures and regulations of similar programs in the United States and Canada:

Ontario VQA

- VQA has strict lab testing as well as sensory testing. Sensory testing is conducted by panel of experts employed by the Provincial Liquor Board with extensive training, qualification testing and process controls for panel- all are ISO-accredited.
- Program financed by nickel levy per liter of wine and \$1,000.00 annual fee per winery
- VQA has enforcement powers.
- Has been successful in facilitating consumer confidence. Wineries may opt out but have strong incentive to participate due to consumer recognition of VQA seal

Ohio Quality Programs:

- Three programs with primary motivation to identify wines of excellent quality made from more than 90% of in-state grown grapes.
- Basic chemical analysis of alcohol, VA and total SO₂ followed by sensory evaluation with modified 20 point scorecard. Wines must score 15 to pass.
- On average, only 60 wines out of 125 pass.
- Funded by the Ohio Grape Industries Committee w/ wineries paying \$50 per submission

Iowa Quality Wine Consortium

- Iowa Wine Growers Association pays \$250 per year to participate which covers the cost of five samples for chemical and sensory analyses. Additional wines cost \$50 each and if a wine is certified, the winery is able to purchase certification sticker for about a nickel each.
- Lab test include alcohol, VA and total SO₂ plus cold stability and heat stability for white wines.
- Two categories: Iowa Quality Wine (75% Iowa fruit) and Quality Wine

New Jersey's Quality Wine Alliance Program:

- Funding problem solved by combining sensory evaluation in conjunction with the annual state competition.

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- Must score 11 points on 20 points scale and flawed wines are chemically analyzed at the Garden State Wine Growers Association's expense
- Quality wines may order QWA capsules.

Virginia Wineries Association: Commonwealth Quality Alliance:

- 100% of fruit must be grown in Virginia, three stage chemical and sensory program with testing performed by Vinquiry of Windsor, CA.
- Very focused on international standards: record of brix at harvest must correspond with final alcohol (EU Regulations).
- Testing: pH, TA, Malic Acid, RS, VA, free and total SO₂, copper, protein, Tartrate stability
- Modified 20 point sensory test
- Membership is \$300 annually with per wine submission of \$170. The fees were waived for the first two years.

Legislative

No Report

Research Report & Grower Development

No Report

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Wholesale Distribution

No Report

Adjournment

There being no further business, Mr. Logan Leet made a motion to adjourn the meeting at 3:15 pm.