

NC Wine & Grape Council Meeting Minutes
Airport Marriott
Greensboro, NC – February 2, 2007

Council Members Present: Willard Hinnant, Michael Helton, Frank Hobson, Charlie Shelton, David Fussell, Joe Neely, Mark Friszolowski, Sandon Dennis, and Dan Smith

Others Present: Margo Knight, Lynn Minges, Scott Gilmore, Susan Dosier, Jennifer Jenkins, Lenna Hobson, Trevor Phister, Marlise Taylor, Jaclyn Jenkins, Gill Giese, Raul Villanueva, Leon Boyd, John Havlin, Jack Curlett, Kathleen Watson, Barbara Insel, Tina Smith

Chair Willard Hinnant called the meeting to order at 12:15 p.m. Charlie Shelton moved to approve the minutes from October 27, 2006 as written. Dan Smith seconded the motion, which passed.

Willard Hinnant asked Marlise Taylor, Director of Research for the Division of Tourism, to introduce the first speaker. She then introduced Barbara Insel, Managing Director of MKF Research, who gave a presentation on the economic impact study funded by the Division of Tourism. She reported that the NC wine & grape industry had a total economic impact of \$813 million in 2005. She also presented national market research data. Council members requested a copy of the PowerPoint presentation, and she agreed that Margo Knight could distribute it to the group for use with attribution.

Willard Hinnant then called on Charlie Shelton to outline the cooperative public relations plan. He reported that five wineries had agreed, at his request, to contribute \$5,000 each to the wine public relations fund at LKM. He also reported that Lynn Minges had agreed to match that \$25,000 with Tourism funds. He then moved that the Council also match these funds with \$25,000. Dan Smith seconded the motion, which passed. Subsequently, Charlie Shelton introduced Susan Dosier of LKM to present the plan for this \$75,000 in cooperative public relations funds.

Susan Dosier gave a PowerPoint presentation, outlining how she would expend the coop funds. She discussed the following priorities: press kits, online, media relations, special events and familiarization tours. She highlighted specific events like the Southern Living sponsorship of the “Salute!” festival and a NC wine presence at the annual meeting of the International Association of Culinary Professionals. She also mentioned that she would like to organize a PR boot camp for NC wineries. Dan Smith moved to support the PR plan as presented. Michael Helton seconded the motion, which passed.

Margo Knight introduced four researchers who presented updates on their research funded by the Council:

- Dr. Raul Villanueva (on behalf of Dr. Turner Sutton): *The Effect of Summer Pruning on the Incidence of Pierce's Disease*
- Dr. Leon Boyd: *Effects of Commercial Enzyme Prep. on the Quality of Muscadine Juice & Wine*
- Dr. John Havlin: *Survey of Vitis Vinifera Nutrient Status in NC*
- Mr. Gill Giese: *Optimized grape potential through root system and soil moisture manipulation*

Willard Hinnant then called on Margo Knight to address business related the Special Events Committee. She presented a request from the organizers of the wine festival “Salute!” for a \$10,000 sponsorship. Michael Helton advocated for continued support of the festival. David Fussell noted that there is a perception in the muscadine community that PR efforts are skewed toward vinifera promotion. He cited the Muscadine Harvest Festival sponsorship of \$1,000 as an example of this imbalance. Charlie Shelton then moved to develop a committee to begin a wine festival in Wilmington in 2008 around the Azalea Festival. Willard Hinnant assigned this duty to the pre-existing special events committee. Charlie Shelton suggested that the committee speak with the organizers of the Elkin festival and focus on working with non-profits. Michael Helton then moved to support the “Salute!” festival with a \$10,000 sponsorship. Dan Smith seconded the motion, which passed.

Margo Knight then described a proposal and request for funds for a new wine festival in Lake Norman. The Council members agreed that this festival location would not fill a need and should not receive Council funds. The Council members then agreed to again sponsor the Muscadine Harvest Festival for \$1,000. They also discussed the idea of having five major wine festivals in the five major urban areas of the state: Charlotte, Raleigh, Triad, Asheville and Wilmington.

Margo Knight then began discussion of business related to the Research & Extension Committee. She advocated for market research and a winery visitor profile study to be overseen by Marlise Taylor. Council members agreed that any market/consumer research should be discussed by the marketing committee.

Discussion then shifted to business related to the Marketing Committee. She also advocated for a wine quality initiative to be underwritten by the Council, but members agreed that this was not the best course of action. Charlie Shelton suggested that we place surveys in each tasting room to gather data. Sandon Dennis said that the industry needs winemaking courses. Michael Helton noted that new wineries are hungry for information and would likely attend quality improvement courses if offered. Trevor Phister, enologist at NCSU, reported that he was organizing this type of course.

Margo Knight informed the group that the 2008 brochure would have to change format to accommodate additional wineries. She agreed to present examples of other brochure styles at a future meeting. David Fussell expressed concern that wineries were not adhering to the hours of operation listed in the brochure. Margo Knight noted that all wineries had signed forms certifying their hours to be accurate and promising to honor those hours. Charlie Shelton suggested that Margo Knight make random calls to determine if wineries are open, and she agreed to do this.

Charlie Shelton said that the State needed to help NC wineries obtain and maintain placements on restaurant wine lists. Mark Friszolowski suggested that the Council ask the Governor to once again write a letter to all restaurants that sell wine, imploring them to carry a NC wine on their list. The marketing committee agreed to discuss further how to garner additional support from the State.

Dan Smith then presented a PowerPoint presentation on Muscadine marketing. The presentation called for muscadine-specific billboards and print media. David Fussell said that the Council should “ride the health wave” since wineries can’t directly promote health benefits. Willard Hinnant encouraged the Council to sell all NC wine as one and avoid being divisive. He said that the state money that funds the Council should aim to push NC wines altogether. The marketing committee agreed to further discuss using health claims in advertising.

The Executive and Marketing Committees agreed to discuss the budget prior to the April meeting, at which time all Council members can join in the budget discussion.

Margo Knight then gave an update on the billboard campaign. She outlined some difficulties with the Commerce purchasing division which had delayed the posting of the billboards. She estimated that the billboards would be posted by mid-February. Joe Neely asked Margo Knight to investigate the legality of writing “To Your Health” on a billboard, and she agreed to do this. Willard Hinnant said that he would work with Margo Knight and the marketing committee to liberalize the cooperative billboard program so that more wineries could participate. Margo Knight said that some wineries would like options as to how to spend cooperative dollars, instead of only one option with billboards. Council members agreed that one co-op billboard program was the best manageable option at this time.

The meeting was adjourned at 4:55 p.m.

The next meeting is scheduled for April 27 in Raleigh.

Submitted by Margo Knight on February 7, 2007.