



VIRGINIA
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Virginia Wineries Association Newsletter

www.vawine.org

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Save the Date Friday, February 26th

Mark your calendars for the next membership meeting. VWA will hold educational seminars.

Look for registration forms and more information coming soon.

Plan to attend and see what your association is doing for you!

ANNUAL MEETING SPONSORS

The Annual membership Meeting was a huge success and for that we say thank you to all who helped in any way; and especially, we say thank you to these sponsors:

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VWA Annual Meeting - "the best VWA meeting in years"



The Virginia Wineries Association held its Annual Membership meeting at Sweely Estates in Madison, Virginia on November 16th. This year there were multiple seminars before and after the Annual Membership meeting. The day was started with Ted Breiner, Esq. speaking to the group about how your "Virginia wineries and vineyards have important and valuable assets in their intellectual property." He informed the group what encompasses intellectual property rights and how to protect them. Then we heard from Carol Philips of Wright of Thomasville on label design and things to consider before starting your label design and layout.

During the actual Annual Meeting, lunch was served and we heard updates from the various committees. Elections were held and three new Board member were elected for two year terms - Len Thompson of Rockbridge Winery, Geoffrey Cooper of Cooper Vineyards, and Dean Gruenberg on behalf of Prince Michael. Jordan Harris of Tarara, Chris Breiner of Stone Mountain and Trevor Gibson of Kluge were also re-elected.

After the meeting we heard from Charles Green, Director of Marketing from the Virginia Department of Agriculture and Consumer Services. Then Neil Williamson shared 20 media release tips in 20 minutes. He was followed by Annette Boyd from the Virginia Wine Board and our keynote speaker brought to us by GHT Insurance was David Saunders, President of Madison & Main Marketing on social and new media.

Evaluation forms at the conclusion of the meeting commented that this was "the best VWA meeting in years". So thank you to our new administrative group (Laurie and Sharon) for making this event run so smoothly. Also, if you attended the meeting and have not done so, please return your evaluation forms.

Compliance Corner

By Mary Beth Williams

New Business Structure = New Owners to TTB and ABC

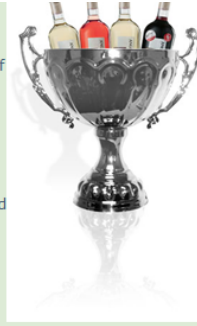
Even if there is no change in the day-to-day running of a winery, if a winery owner changes the business structure of the winery (for example, from a sole proprietorship to a Limited Liability Company (LLC) or corporation), both TTB and VA ABC consider this a change in ownership, and a new application will need to be filed at both the state and federal level. For Farm Winery classification in Virginia, a current Class B Farm Winery that reorganizes will likely have to revert to a Class A Farm Winery, because the seven year requirement for a Class B license will have to begin to accrue again under the "new" ownership. If the business entity changes, any environmental or tax permits you have will likely have to be changed as well.

Mary Beth Williams is the president of Williams Compliance, a full-service compliance service provider based in Hanover County, Virginia.

2010 Governor's Cup News

One of the topics discussed at the recent Annual Meeting of the VWA was the 2010 Governor's Cup. Once again, there are a few changes which we believe will continue building on last year's efforts.

It was agreed that we will award 2 Governor's Cups in the future. One Cup will be awarded for the outstanding Virginia white wine, and one for the outstanding Virginia red wine. The Governor's Cup Red winner will be announced at the 2010 Virginia Wine Expo in Richmond, Friday, February 26th. The winner for the White will be announced later in the season, possibly in conjunction with Vintage VA or October's Wine Month festivities. More info will be available in the next month or so.



For the February award activities, we're planning to hang banners and signs announcing the medal winners and highlighting winners' booths on the floor plans given to all the attendees. Medal winners will also be recognized at the ceremony.

Here is some key info you'll need to know for the upcoming Governor's Cup judging:

- + The date for submitting wines and applications will be mid-January. All Virginia Wineries will receive a separate e-mail with rules and regulations.
- + The wines submitted to the competition must be made with 95% Virginia grapes.
- + There must be 100 cases of the Governor's Cup winning wine available for retail sale at the time of the award announcement. This is either through your tasting room or distribution channels.
- + The winery winning the Governor's Cup must agree to participate (have a booth) at the Expo.
- + The Governor's Cup winner must be poured at the Friday evening Food & Wine Gala. The winning wine may or may not be poured during the balance of the event, at the discretion of the winery.

We look forward to a successful competition this year. If you'd like to volunteer to help with any aspect of the Event-Governor's Cup committee, please contact either Marcie Siegel at massweelyholding@earthlink.net or Dean Gruenburg at dgruenburg@princemichel.com

Keep an eye out for the application information. It will be e-mailed the week of December 14.



Quality Assurance Progress

It has been just over a year since we first started looking at a quality assurance program. We started by auditing the VQA (Vintners Quality Alliance) in Ontario, Canada and interviewing members, board members and staff of the program. We have also looked at programs that are offered in other states including the Russian River Quality Assurance, Pennsylvania (PQA) and Ohio.

Since that visit a technical committee including 6 wineries/vineyards has been working to customize a program that will work for Virginia. Within the committee we have also included 2 members that are acting as VWA representatives to ensure the program is best suited for both the wineries and the vineyards. Through the first few months the committee developed original thoughts and processes that could be included as part of the QA program.

Once the committee was comfortable we had the right questions to ask, we went to the industry in the form of a survey to all farm wineries (members of the VWA). There were 68 responding wineries that had varying responses to the question on the survey which included potential grape varieties, Virginia content, branding options, fruit other than grape appellations, analysis prerequisites, analysis performers, fees, and would you use a QA program?

There was a great response showing that there is a want and need for a quality assurance program. There were 75.9% of the responses said they would submit their wines, only 25.6% of the responders stated that more than 75% of the wine in Virginia is of good quality standards, 71.2 % percent believed a program would increase the quality of Virginia wines. Most of the other questions offered a mixed bag of responses. The large topic question was the Virginia content necessary which is lying stronger toward the 95% or 100% necessary, however there were also several responses that this should not dictate further than the TTB laws.

With the discrepancies in the other questions the technical committee has decided to create three more surveys to include one for consumers in state, one for consumers out of state and one for industry out of state. This will help us to understand what the consumers, wholesalers, and retailers are looking for out of a Virginia wine in order to consume more. We would like this program to raise awareness and marketplace both locally and outside the boundaries of our state. The current survey for further response from in state wineries is still live at http://www.surveymonkey.com/s.aspx?sm=HHJctHeRf9ry_2fDPryWXBnA_3d_3d

With the drive moving forward the VWA applied and was awarded a grant in the amount of \$25,000.00 from the USDA specialty crop grants being recommended by the Virginia Department of Agriculture and Consumer Services.

We look forward to using these survey results, the grant dollars and our expertise

to have a program ready for soft launch in the first half of 2010. We hope this will include wide spread participation helping increase the quality of Virginia Wines and increase marketing potential of our products. For any further questions or comments please do not hesitate to contact the chair of the VWA technical committee Jordan Harris at jordan.harris@tarara.com.

Changes to By Laws

Please Note - By Laws changes need to be done to accomdate a new type of member. VWA is taking associate memberships for those interested in supporting the VWA and our membership.

Legislative Update

The VWA will be working with our partners the Virginia Farm Bureau and Virginia Agribusiness Council to respond to the on-going efforts to increase regulations on Agriculture by requiring Nutrient Management Plans and restricting nutrient allocations known as Total Maximum Daily Load (TMDL) as part of an increased effort to clean up the Chesapeake Bay. While we agree in the importance of protecting this natural resource, we want to ensure that the efforts already underway in Agriculture are accurately accounted for and that any new requirements/regulations which may impact our industry are based on scientifically valid tests and requirements. The costs of obtaining the Nutrient Management Plan could be cost prohibitive to our vineyards.



The only piece of legislation which may be going forward from the wine industry concerns the ABC Circulars earlier this year on the direct shipping laws. The circulars stated that shipments had to be made from the address of the license holder. Our concern was that this could mean that we would be unable to take the wine to the UPS or FedEx location to ship. The primary concern is one from the Wine Institute which precludes shipping from a fulfillment house. We had a meeting on November 19th at which it was clarified that you can, in fact, take the wine to ship rather than have to have it picked up at the winery. For the fulfillment houses, we are working on a change in language which would allow them to be licensed and used.

The Vino Shipper concept of third-party shipping is a much more complex and difficult issue to address. I pointed out that it is a construct which would be extremely useful to our wineries, particularly since 30 Virginia Wineries are currently signed on to use Vino Shipper. I suggested a working group be formed to look at what would be needed to establish an entity of this type which would be in compliance with state law. Curtis Colburn, COO of the ABC, has offered to put together a fact sheet on what the problems are and what changes would have to be made to establish this model legally for use in Virginia.

Local land use issues continue to consume the time of Matt Conrad, our Virginia Wine Council representative. He has represented Virginia wineries and emphasized the rights and privileges they have under our existing law. We continue to emphasize the agricultural nature of our industry and the need for the counties to recognize and allow our customary ways of doing business.

If any wineries have or know of any issues coming before the legislature which would impact the industry, please let us know. If you would like to serve on the legislative committee please contact us info@vawine.org.

The Virginia Wine Council is the primary organization to provide lobbying support for the wine industry. It can only do that if it is funded. We are currently well below our goal to provide an effective, full-time voice in the General Assembly. The VWA has provided a significant financial contribution to this effort, but the support of individual wineries and/or organizations is also needed.

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