

**OREGON WINE BOARD
MEETING MINUTES
MARCH 25, 2008
EUGENE, OREGON**

Attendees: Harry Peterson-Nedry (Chair) Kara Olmo via teleconference (Vice Chair), Steve Girard via teleconference (Chair Emeritus), David Adelsheim, Earl Jones, Lee Mankin, Sam Tannahill.

Staff: Ted Farthing (Executive Director), Sara Gourley, Stephany Boettner via teleconference

Guests: Gavin Joll, White Rose Wines; Ray Ethel, Broadacres Nursery; Vaughn Walton, Oregon State University; Bob McGorin, Oregon State University; Nancy Osterbauer, Oregon Department of Agriculture

Call to Order

Peterson-Nedry called the OWB meeting to order at 12:11pm and recessed the meeting for a brief lunch break.

Peterson-Nedry reconvened the OWB meeting at 12:30pm

Informal Map Presentation

The Board looked at the first printing of the Oregon maps which include outlines of vineyards. This project was funded by the first USDA Value Added Producer Grant. The OWB worked with the Map Store in CA to produce these maps. The maps can be updated online at anytime; re-printing will be approximately every year. At this time not everyone has entered their data: the goal is to eventually get all Oregon vineyards on the map. Tannahill commented that it is nice to see this project come to fruition.

Minutes Approval

Inquiry about the sustainability pledge action item that came from the February 19, 2008 Board meeting; there was confusion amongst the Board as to what was determined. Debate regarding integration with OCS vs. freestanding OWB pledge. Girard will check with Dudley to see how the vineyard best practices are coming along, and whether the pledge can be integrated there.

Jones moved Adelsheim seconded to approve the minutes of the February 19, 2008 OWB Board meeting. Motion passed unanimously.
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Financials / 2007 Harvest Revenue Forecast

Farthing presented the attached Profit & Loss and Balance Sheet statements. There is a gap of approximately \$100,000 between the tonnage report from the 2007 USDA Ag Stats and the money that OLCC collects for tonnage. Farthing will present the latest estimate of the 2007-2008 budget at the May 2008 Board meeting.

Plant Certification

The Board would rather prevent the introduction of disease and pests than try to react after they have been introduced. Two things being discussed under this topic: 1. clean plant initiative and 2. contributing to the foundation block in Prosser, WA.

Regarding the clean plant initiative, representatives from the Oregon Department of Agriculture are planning to attend a meeting in Davis, CA in early April to discuss prevention of disease and pest introduction between states. Farthing plans to attend a similar meeting in early July on the same topic. The goal is to make uniform standards so plants can move freely between states. Outcome of both meetings will be shared with the Board.

Regarding contributing to the Northwest Foundation Block in Prosser, WA, Oregon growers need to contribute financially, in line with our share of the block's varietals.

Adelsheim moved Jones seconded that the OWB approve an expenditure up to \$10,000 by June 30, 2008 to the NW Grape Foundation Services, with the amount to be confirmed at the May 6, 2008 Board meeting. Discussion: perhaps this money could come out of the urgent solutions budget line. Motion passed unanimously.

Peterson-Nedry recessed the OWB meeting at 3:25 pm.

Peterson-Nedry reconvened the meeting at 3:35 pm.

OSU Research/ Institute Update

Vaughn Walton from Oregon State University reported that the college approved the viticulture position and OSU faculty and staff have been discussing the position. The Board conveyed that this is by far one of the most important positions at OSU and stressed the importance of keeping conversations about this position open between the industry and OSU. Staff will provide OSU with a list of people from the industry that need to be included with the hiring of the viticulture position.

The industry has raised approximately \$1,450,000 dollars for the institute out of \$2,000,000 needed. The job description for the institute director is in the process of being formulated. The ideal candidate will be entrepreneurial, a team leader who is cooperative and has the ability to collaborate with the Oregon wine industry and many university departments; able to fundraise; a trained scientist with a strong preference for training in viticulture. Timeline: institute established in April 2008, immediately following an Advisory Board will be established. The Advisory Board will approve the job description for the institute director, and then meet to consider the other institute positions.

Follow up to '07 harvest report

There was consensus among the Board to not have a follow-up 2007 harvest report. Individual wineries can speak to their specific wines.

Carbon Neutrality

Thirty wineries/vineyards are participating in the Governor's carbon neutrality challenge. The goal is to have these businesses declare carbon neutral by February 2009. Participants now have a tool to assess and measure their carbon output; however the tool is a beta version and has bugs, which are being addressed.

Research 2007-2008 and 2008-2009 project review

Reference attached spreadsheet.

Tannahill moved Jones seconded, that the Board approve the recommendations of the Research Committee to fund up to \$225,350 of the 2008-2009 research projects as listed; any cost savings would be allocated to funding joint projects with other funding agencies. Discussion: Jones made it clear that he had nothing to do with recommending funding his son's research projects – that recommendation was made by the Research Committee. Tannahill would like to hold the researchers to their commitments. Mankin would like to reiterate that researchers who have been awarded a grant will not receive their final grant payment unless they provide a satisfactory progress report showing that the project has been started and is in progress. Motion passed unanimously.

New Business

Peterson-Nedry presented a marketing proposal asking for \$30 - \$35k to fund the beginning of a video series in conjunction with Oregon Pinot Camp. Board will resume this discussion at a later time.

Farthing was asked to approach the Board on behalf of the NGWI Sustainability Committee about having the results of their latest study as part of a workshop series in Oregon. Perhaps the best outlet is the 2009 Symposium. Board will discuss further details at the May 6, 2008 Board meeting.

Peterson-Nedry adjourned the meeting at 5:29 pm

Oregon Wine Board
Profit Loss Budget vs. Actual
July 1, 2007 to February 29, 2008

	<u>Jul 07 - Feb 08</u> <u>Actual</u>	<u>Jul 07 - Feb 08</u> <u>Budget</u>	<u>FY07-08</u> <u>Budget</u>
Ordinary Income/Expense			
Income			
4100 · Grape Assessment (\$25/ton)	883,445	882,308	950,000
4200 · Wine Tax (2c/gal)	153,499	173,667	245,000
4300 · Program Revenue	293,480	234,000	239,000
4500 · Other Income	22,485	7,400	10,000
4600 · Grant Revenue	21,997	21,997	272,797
Total Income	<u>1,374,906</u>	<u>1,319,372</u>	<u>1,716,797</u>
Expense			
5000 · Research			
5100 · Marketing Research/Ag Stats	13,000		15,000
5200 · Grants	121,321	174,384	205,000
5400 · Urgent Solutions			45,000
5700 · OVID	30,773	21,500	30,000
5000 - Research - Other	775		
Total 5000 · Research	<u>165,869</u>	<u>195,884</u>	<u>295,000</u>
5800 · Education	114,538	119,711	155,000
6000 · Marketing			
6100 · Media Relations	30,775	35,954	65,000
6200 · Collateral & Materials	3,892	4,507	5,000
6300 · Export	40,435	55,500	75,000
6400 · Tourism	29,562	50,629	70,000
6500 · Website	17,756	19,775	30,000
6700 · Road Show	99,602	100,000	235,000
Total 6000 · Marketing	<u>222,022</u>	<u>266,365</u>	<u>480,000</u>
7000 · Sustainable Agriculture	<u>38,864</u>	<u>32,840</u>	<u>35,000</u>
8000 · General & Administrative			
8100 · Meetings & Communication	11,095	18,942	25,000
8200 · Employee Compensation	322,315	383,575	610,000
8300 · Equipment/Furniture/Maintenance	19,231	26,500	35,000
8400 · Office Rent	19,222	18,649	31,000
8500 · Staff Travel	24,107	24,720	35,000
8600 · Misc. Administration	65,209	49,808	70,000
Total 8000 · General & Administrative	<u>461,179</u>	<u>522,194</u>	<u>806,000</u>
Total Expense	<u>1,002,472</u>	<u>1,136,994</u>	<u>1,771,000</u>
Net Income	372,434	182,378	-54,203

3:03 PM

03/20/08

Accrual Basis

**Oregon Wine Board
Balance Sheet
As of February 29, 2008**

	<u>Feb 29, 08</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Checking	389,739
1050 · Money Market	142,620
Total Checking/Savings	<u>532,359</u>
Accounts Receivable	
1200 · Accounts Receivable	46,580
Total Accounts Receivable	<u>46,580</u>
Other Current Assets	
1499 · Undeposited Funds	4,522
1700 · Certificate of Deposit (Umpqua)	100,000
Total Other Current Assets	<u>104,522</u>
Total Current Assets	<u>683,461</u>
TOTAL ASSETS	<u>683,461</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	50,490
Total Accounts Payable	<u>50,490</u>
Total Current Liabilities	<u>50,490</u>
Total Liabilities	50,490
Equity	
3000 · Opening Bal Equity	13,493
3900 · Retained Earnings	247,045
Net Income	372,433
Total Equity	<u>632,971</u>
TOTAL LIABILITIES & EQUITY	<u>683,461</u>

Research 2007-2008 and 2008-2009 project review

ID	PI	Proposal Title	Reviewer Category	\$ Requested		Other funding agencies applied to							Amount to be requested to continue research project	
				07-08	08-09*	AVF	CCGP	CGRIC	CGRRF	CRMB	CTGC	VCW	09-10	10-11
361	Greg Jones	Climate and Variety Monitoring - Rogue	Breeding, Germplasm, and Evaluation	\$ 12,061	\$ 11,861	x						x	\$ 11,861	\$ 11,861
362	Greg Jones	Climate and Variety Monitoring - Umpqua	Breeding, Germplasm, and Evaluation	\$ 11,690	\$ 11,568	x						x	\$ 11,568	\$ 11,568
407	James Kennedy	Polysaccharides and Wine Astringency	Enology	\$ 40,690	\$ -								\$ 41,155	\$ 33,750
410	Walter Mahaffee	Improving powdery mildew management	Disease Management	\$ 20,578	\$ -								\$ -	
371	Michael Qian	cover crops on flavor	Cultural Practices	\$ 29,240	\$ 32,655								\$ 33,731	
387	Patricia Skinkis	Short Shoot Syndrome Crop Loss Survey	Pest Management	\$ 15,945	\$ -								\$ -	
393	Patricia Skinkis	Cover Crop Management and Grape Quality	Cultural Practices	\$ 26,392	\$ 34,094	x	x					x	\$ 37,274	
386	Vaughn Walton	Integrated management strategies and bio	Pest Management	\$ 42,171	\$ 45,767	x						x	\$ 47,667	
659	Marcus Buchanan	Southern Oregon Irrigation Guidelines	Cultural Practices		\$ 14,785								\$ 9,450	\$ 10,800
636	James Osborne	Impact of Saccharomyces and non-Saccharo	Enology		\$ 36,230	x						x	\$ 41,930	\$ -
687	Patricia Skinkis	Leaf Removal for Disease Control/Quality	Cultural Practices		\$ 38,390	x	x	x	x	x	x	x	\$ 42,065	\$ 46,030
Total 2007-2008				\$ 198,767	\$ 225,350								\$ 276,701	\$ 114,009

* recommended funding per Research Committee. Farthing to collaborate with other funding agencies at UC Davis meeting.