

**OREGON WINE BOARD
MEETING MINUTES
OCTOBER 2, 2007
TELECONFERENCE**

Attendees: Steve Girard (Chair), Kara Olmo (Vice Chair), Kevin Chambers (Chair Emeritus), Casey McClellan (Treasurer), David Adelsheim, Pat Dudley, Earl Jones, Lee Mankin

Guests: Jean Driscoll, WildAire Cellars

Staff: Ted Farthing (Executive Director), Tara Anderson, Stephany Boettner, Hannelore Buckenmeyer, Sara Gourley, Katie Stoll

Call to Order

Girard called the OWB meeting to order at 9:59am.

Minutes Approval

Chambers moved, Mankin seconded to approve the minutes of the August 21, 2007 Oregon Wine Board meeting. Jones abstained as he was not present at the August 21, 2007 meeting. Motion passed.

OCS ownership and responsibility

Farthing presented the pros and cons of the OWB, OWA, TOWER, and a new organization owning OCS. Reference attached OCS Certification Mark Ownership and OCS Certification Flow documents.

The Board authorized staff to move forward with initiating rulemaking so the OWB would have the option of owning OCS. No motion was made and the Board will discuss OCS ownership again at a later meeting. In the meantime staff will prepare a budget for the potential of OWB owning OCS.

VAPG update

The OWB received its second Value Added Producer Grant (VAPG) from the USDA, on behalf of Oregon's 230 estate wineries. The purpose of the VAPG is to help producers increase sales in emerging U.S. markets. The OWB will fulfill this mission by producing an Oregon Wine Road Show in 2008 which will travel to target emerging markets for Oregon wine and meet with consumers, trade, and journalists in both established shows and OWB produced events. The challenge will be filtering through the wineries who want to participate. Creating criteria for participating wineries will be discussed at the November 2007 marketing committee retreat.

OVID update

Buckenmeyer reported that OVID will be up and running by the end of October 2007. Additionally OVID received another USDA risk management grant in the amount of \$265,000. Washington will be managing these funds and they will be used to create a tool that will work with data entered into OVID to provide forecasting tools. For example, tools that will help with disease management, estimating the cost of wine production, and the ability to connect with weather stations.

Retreat Planning

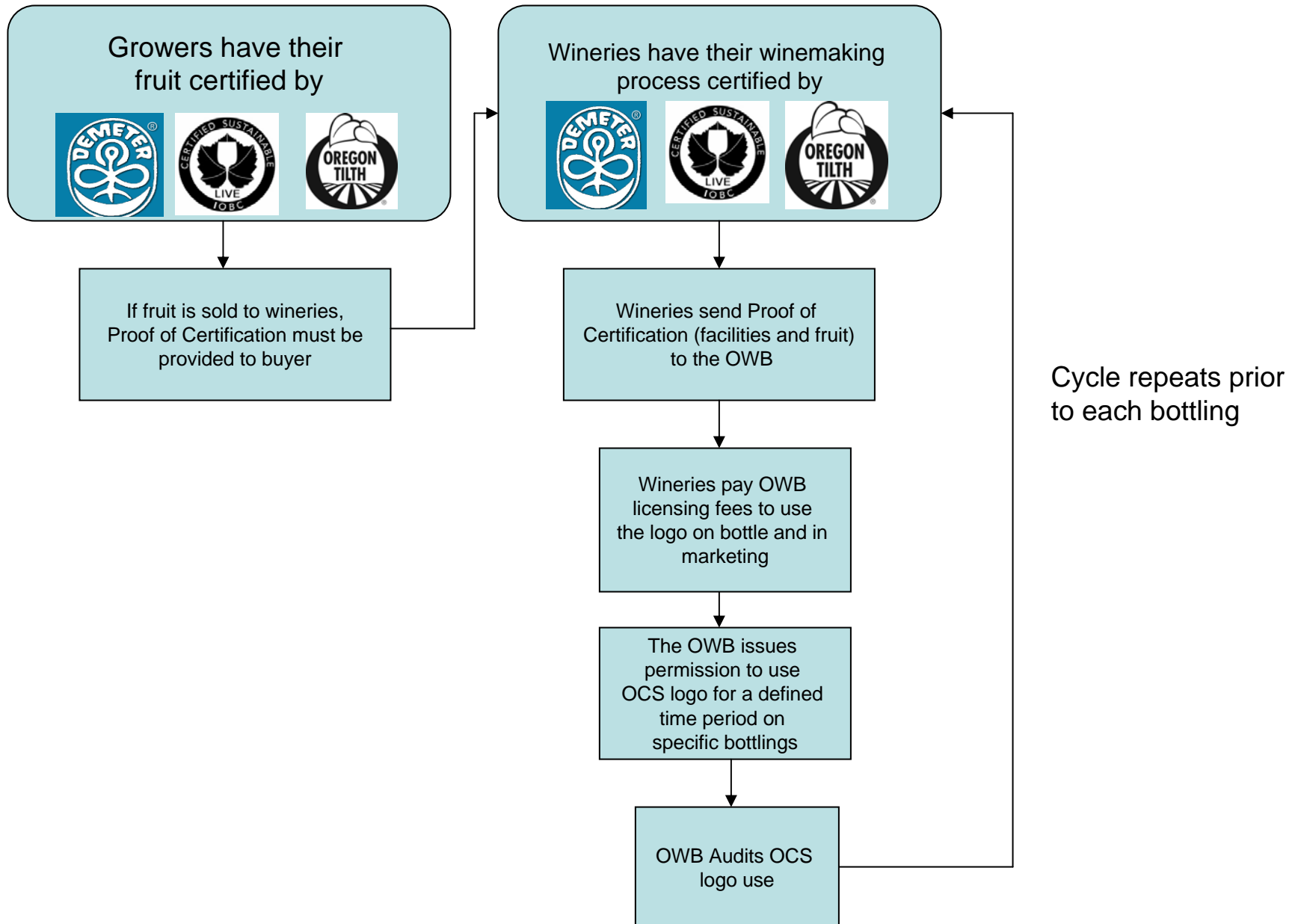
Farthing discussed the 2007 retreat discussion model. Reference attached 08 09 Strategic Plan. Farthing, Girard, and Olmo will continue to work on the retreat agenda.

Director Nominating Progress

Anderson informed the Board of the Director nominating progress and timelines. Currently volunteers are needed to serve on the nominating committee. Girard and Farthing will continue to work on improving the Director nominating process.

Girard adjourned the OWB meeting at 11:52am.

OCS Certification Flow



OCS Certification Mark Ownership		
	PROS	CONS
OWB	<ul style="list-style-type: none"> • Existing marketing staff • Substantial and growing marketing budget • Could potentially qualify for VAPG and other grants with marketing budget match • Access to extremely low cost trademark attorneys • Could use “Oregon” in certification mark without approval 	<ul style="list-style-type: none"> • Needs to go through the rules change process , typically ~ 9 months • May be perceived as less credible due to marketing mandate • Marketing efforts would focus on a subset of the industry
OWA	<ul style="list-style-type: none"> • No organizational restrictions, other than getting approval to use “Oregon” in the name.* • Could help solve OWA funding challenges – gives people major reason to join 	<ul style="list-style-type: none"> • Muddies and complicates the OWA mission • May be perceived as less credible due to industry funding • Would need source of start-up funding • Limited dedicated staff • Costs to defend mark currently beyond resources • Requires costly trademark attorneys from private industry
TOWER	<ul style="list-style-type: none"> • Would help fulfill the consumer education mandate • Would likely need state approval to use “Oregon” in the name.* 	<ul style="list-style-type: none"> • Would need source of start-up funding • Limited dedicated staff • Costs to defend mark currently beyond resources • Requires costly trademark attorneys from private industry
New organization	<ul style="list-style-type: none"> • No organizational restrictions, other than getting approval to use “Oregon” in the name.* • No credibility conflict • Could be a for-profit enterprise 	<ul style="list-style-type: none"> • Would need source of start-up funding • Need time to build effective marketing staff linked with industry needs • Need to create an independent board of directors • Requires costly trademark attorneys from private industry

* From Julie Penry, DOJ Attorney: “In general, it appears a state entity may authorize a nongovernmental organization to use the name of the state as a geographical indicator. TMEP 1306.2(b). The USPTO will examine whether the certification mark applicant has authority to control a geographic term under two primary considerations--(a) preserving the freedom of all persons in the region to use the term, and (b) preventing abuses or illegal uses of the mark which would be detrimental to all those entitled to use the mark.”



Retreat Discussion Model

Long Term Supply

Production ceiling

Ideal growth rate

How do we get there?

- Land Use
- Resource management
- Vineyard development standards
- Stewardship
- Research
- Quality Advisors
- Capital investment
- Industry Ed.

Facilitation

Self-Distribution

Direct Shipment

Taxation

OLCC Reg

TTB Reg

Labeling

Industry Ed.

Long Term Demand

Category Development

- Distribution equity
- Brand equity

Industry Ed.

LT Demand: Production ceiling

