

OREGON WINE BOARD MEETING MINUTES

MAY 22, 2014 <<FINAL>>

LOCATION: WILLAMETTE WHARF BUILDING, PORTLAND, OREGON

Attendance

Board: Bill Sweat (Chairman), Leigh Bartholomew (Chair Emeritus), Ellen Brittan (Vice Chairwoman), David Beck (Treasurer), John Pratt, Steve Thomson and Michael Donovan

Staff: Tom Danowski, Rose Cervenak, Jessica Willey, Marie Chambers, Michelle Kaufmann, Margaret Bray and Charles Humble

Guest: Jana McKamey/Oregon Winegrowers Association, Dai Crisp/Lumos Wine Company, Chard Vargas/Adelsheim Vineyard, Page Knudsen Cowles/Knudsen Vineyards (phone), Laurent Montalieu & Sam Tannahill/Willamette Valley Wineries Association and Jason Porath/Storycode

Absent: Doug Tunnell (Ellen Brittan designated as Tunnell's proxy) and JP Valot

Call to Order

- Sweat called the OWB Board meeting to order at 1:40 p.m.

Board Minutes (Attachment)

Beck moved for approval of the March 11, 2014 Board Meeting minutes. Brittan seconded and the motion carried.

Finance Committee Report (Attachments)

- Beck reviewed the financial statements through April 30, 2014.
- He called attention to the "Year End Forecast" column on the P&L and explained that this column is new to this report and it represents where Finance Director, Marie Chambers believes we'll end the fiscal year at.
- **ACTION:** Marie will add a "budget to forecast" column on the profit and loss statement.

Pratt moved that the Balance Sheet and P&L through April 30, 2014 be approved as submitted. Brittan seconded and the motion carried.

- There was discussion about the OWB policy regarding reimbursement for Director's travel expenses when conducting business of the OWA.

Brittan moved that "reasonable and customary" travel expenses for any and all business conducted by Board members on behalf of the OWB, and all mileage of more than 50 miles be reimbursable. Pratt seconded and the motion carried unanimously.

Research Committee Report (Attachments)

- Beck reviewed the OWB requirements for funding viticulture and enology research and the Research Committee recommendations of 2014-15 projects to be funded.
- There was discussion about the inability to fully fund some projects and the trade-offs of under-funding some projects and funding projects that will be ongoing for multiple

seasons. Bartholomew commented that the recommended funding was \$50,000 less than the total amount requested for those projects.

- Pratt commented that there are no proposals from So. Oregon because SOREC was in-between viticulture specialists at Central Point.
- Bartholomew noted that there are three new projects for 2014-15, (as opposed to multi-year projects) which is probably more than have been initiated in past years.
- Some discussion about how the OWB can better report/market the research and findings of the projects that OWB funds.

Bartholomew moved to approve the funding for the nine recommended projects for 2014-15 as presented. Thomson seconded and the motion carried.

NWCSFR March 2014 D.C. Trip

- Dai Crisp and Chad Vargas gave a brief report on their recent trip to deliver a progress report on research projects and seek further funding for the NWCSFR, including the following points:
 - USDA will fund a plant pathologist in Corvallis through ARS which brings the total number of scientists in the Northwest to nine.
 - Bob Martin/ARS runs the unit of scientists in Oregon, Washington and Idaho.
 - Will not be vulnerable to cuts in budget.
 - \$600k will be used to restart projects that were stalled without a budget (in the Farm Bill)
 - Oregon grape and wine requests total \$200k
 - Process for awarding funds is similar to the process OWB uses in granting research funding.
 - Should have some determinations of projects that will be funded, within a few months.
 - 50% of the NWCSFR funding is directed to wine sciences.
 - There is new language in the Farm Bill that introduces Centers of Excellence
 - USDA is putting their top minds behind figuring out how to fund these Centers of Excellence.
 - Anticipate seeing something in terms of the competitive process by August with funding determined by October.
 - There is potential to devise a matching program between NWCSFR and OWB and that would enable us to fund more and varied projects in the future.

Education Committee Report

- Beck delivered a detailed summary of industry feedback following the 2014 OWS and suggested that Education Committee spend time with Jeanne Beck who analyzed the survey data.
- **ACTION:** Rose will include Jeanne Beck's full presentation in the next Board Bulletin.
- Bray reviewed trade show survey data.
 - There was discussion regarding the 2015 trade show schedule and perhaps staggering trade show breaks.

Marketing Committee Report

- Oregon Wine Experience App
 - Jason Porath/Storycode who designed the Oregon Wine Experience App joined Charles Humble for an update on usage of the app and future expansion.

- The app is built on an Adobe platform and it has built-in analytics. Since the launch at Symposium, there's been a very solid statistics on usage:
 - 441 downloads
 - Users are viewing the app multiple times
 - Average time per session is 7 minutes per user
 - Statistics on the apps "effectiveness" is anecdotal at this point
- Working on a web-based (internet) version with Storycode – should be available anytime.
- Have applied for an ODA specialty crop block grant for continued development of the app to update the content and promote it out to the industry.
- The most asked question from industry members is how to adapt the app and integrate their own content.
- Porath explained that the challenge in creating an adaptable app for individual use, is figuring out how to provide the same benefit to businesses who can't afford to get into the mobile game.
 - When the Oregon Wine Experience App was developed with OWB, it took considerable discovery time, sourcing and writing content and close work with Storycode to attain the right look and feel.
 - All of this would have to occur before development of an "interchangeable" app for individual winery/vineyard use.
 - Storycode has developed a dynamic browsing paradigm on the Adobe platform in order to make this happen.
 - The next step is to begin the discovery process both with wineries and consumers.
 - The price point to participate (for individual wineries/vineyards) will probably be between \$500-\$1000/annually.
 - Storycode would do all the upfront investment in the design/development of the interchangeable app.
 - **ACTION: Porath will provide the Board with a list of apps that are similar to what OWB is trying to achieve.**

Revisit Strategic Plan Objectives (Attachment)

- There was some discussion about standardizing verbiage so that the plan supports "variety-neutral" and substantiates the notion that "quality supports premium pricing."
- Sweat suggested that the next winery and vineyard census contain a question about states where wineries have distribution.
 - Danowski agreed that OWB can support markets where there's an overdevelopment of wine volume at higher price points, where Oregon volume is concentrated, but an underdevelopment of Oregon brands.
- There was some discussion about finessing the wording of "Address the diverse needs of all Oregon's wineries..." to more clearly state that OWB marketing programs will support our wineries with respect to their geographic objectives (e.g. in-state, across the U.S. and internationally) rather than tailor OWB marketing tactics to wineries based on their size and sales volumes.
- Willey commented that OWB has an opportunity to continue to effectively communicate with the wine community and reinforce the value that OWB brings to their businesses.

WVWA Update (Attachment)

- Laurent Montalieu, President of the Willamette Valley Wineries Association presented the WVWA Annual Meeting slide deck and went through a couple of important updates for OWB.

- There was some discussion about working with OWB on a community impact survey for the entire industry and include in the Economic Impact Study. Recent findings in a narrow survey of Willamette Valley wineries found that they give 2.5% of their top line revenue versus a .13% average for Fortune 500 companies.
 - Tannahill commented that many wineries don't have a "giving policy" or plan that sets parameters/guidelines around giving to causes that are part of a strategic or business plan.
- Tannahill expressed a need for a calendar of industry events that is centrally located (OWB website) that everyone can update and reference when planning events.
 - Kaufmann updated them about a recent addition to the OWB website that fulfills this need, but commented that it's only as good as the data/information included in the calendar.
- There was a mutual desire expressed for more frequent communication and collaboration between the WVWA and OWB in the future.

Sweat adjourned the Oregon Wine Board meeting at 5:07 p.m.