2024 WINE INDUSTRY REPORT
GO VIRGINIA REGION 9

VIRGINIA INITIATIVE FOR GROWTH & OPPORTUNITY IN EACH REGION

December 2024
MWJ Brown Consulting

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2024 Wine Industry Report for GO Virginia Region 9

Focused on the city of Charlottesville and the counties of Albemarle, Culpeper, Fauquier, Fluvanna, Greene, Louisa, Madison, Nelson, Orange, and Rappahannock.

BACKGROUND

This report was funded by a planning grant from GO Virginia Region 9 and led by Nelson County in collaboration with the city of Charlottesville and the counties of Albemarle, Culpeper, Fauquier, Fluvanna, Greene, Louisa, Madison, Nelson, Orange, and Rappahannock. An Advisory Committee consisting of representatives from the wine industry, regional localities, and GO Virginia met as needed throughout the process. The primary goal of this report is to identify challenges in scaling up the region's wine industry and to explore opportunities to expand wine exports outside of Virginia. While this report focused on the vineyards and wineries of GO Virginia Region 9, the report's findings and action plan are applicable to the entire Virginia wine industry[1]. Nearly one third of the total number of vineyards and wineries in the state are located in the aforementioned counties. Notably, this area includes the 2023 Wine Enthusiast Wine Region of the Year: Charlottesville, underscoring the area's emergence onto the international wine stage. As of 2023, 1,266 full time equivalents were employed in the region's wineries and vineyards, accounting for over $338,000,000 of GDP for the region. From 2013 through 2023, the total number of establishments in the regional wine industry increased from 53 to 79. It is expected that with sustained innovation and support, more Virginia wine will move into the traded sector, and the industry will continue to provide a source of new jobs and greater economic impact for the region.

METHODOLOGY

A comprehensive survey was deployed to vineyards and wineries throughout the region, gauging the state of the local wine trade in GO Virginia Region 9 during the 2023 calendar year. The information from respondents covered topics ranging from grape growing, to wine making, handling of wine, and the wine business. A series of open-ended questions were offered throughout the survey and additional efforts were made to provide a deeper understanding of the current strengths and weaknesses of the regional wine trade by conducting extensive one-on-one discussions with

[1] Cideries were not included in this report.

vineyard and winery owners, winemakers, and managers. Care was taken to seek out conversations with vineyards and wineries representing a range of business ages, localities, production sizes, and business models. Discussions also took place with wine buyers, distributors, sommeliers, and other members of the wine trade throughout the region as well as in target markets such as Northern Virginia and Washington D.C. Insight from these discussions is presented alongside data collected from the survey and serves as the basis for the recommendations made at the conclusion of this report.

OVERVIEW OF RESPONDENTS

Of the 99 vineyards and wineries targeted by the survey, 59 responded. One third of respondents were engaged directly with one-on-one discussions regarding the scope of the study and their points of view provided critical context for the study's findings.

Figure 1.0 indicates the various roles held by those who completed the survey. Respondents selected any applicable job titles.

64% of respondents identified as the business owner, 42% as the CEO/GM, 38% as the winemaker, and 27% as vineyard managers.

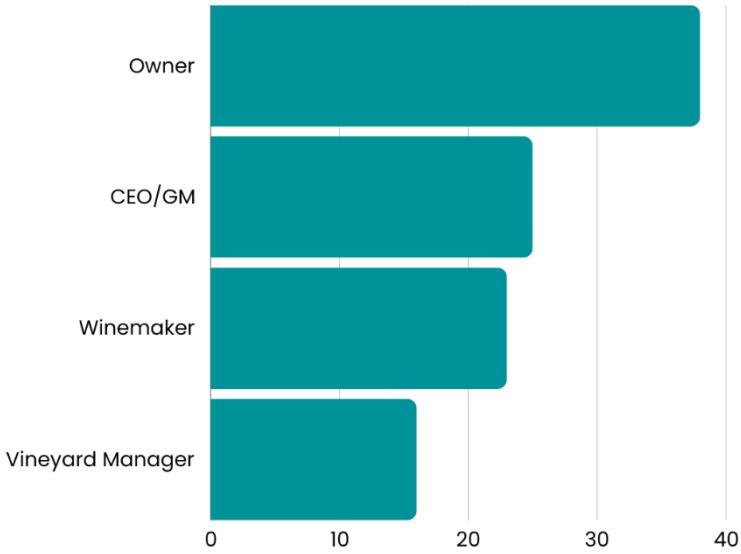


Figure 1.0 – Respondent Job Roles

As is often the case in Virginia wine, many people serve several roles in their business. A minority of respondents identified as wine club managers, tasting room managers, hospitality directors, etc. Each response was given equal consideration regardless of job title. A fair mix of job titles provides a broader understanding of the challenges faced by the region's wine industry.

BUSINESS COMPOSITION

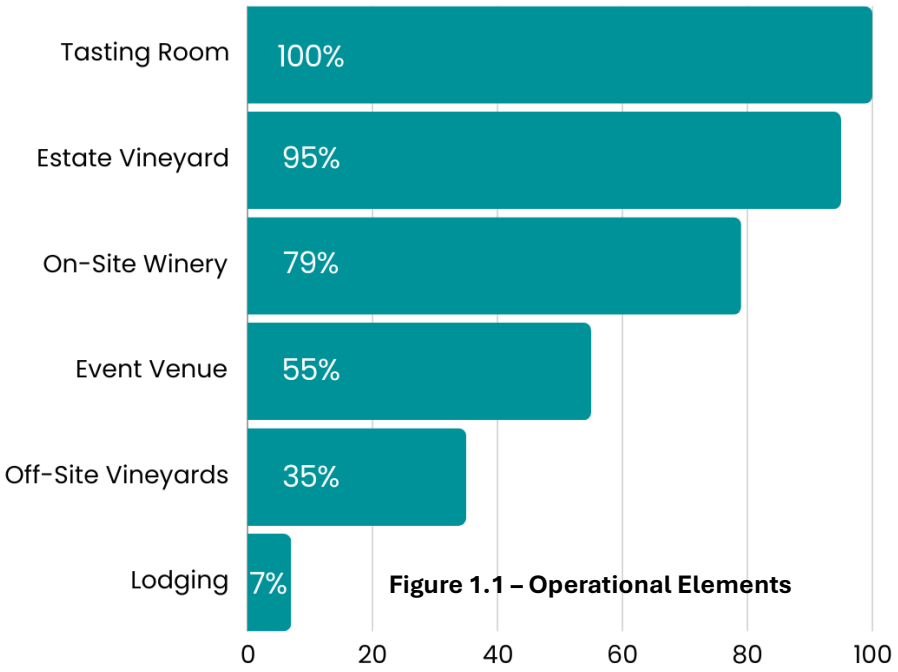


Figure 1.1 – Operational Elements

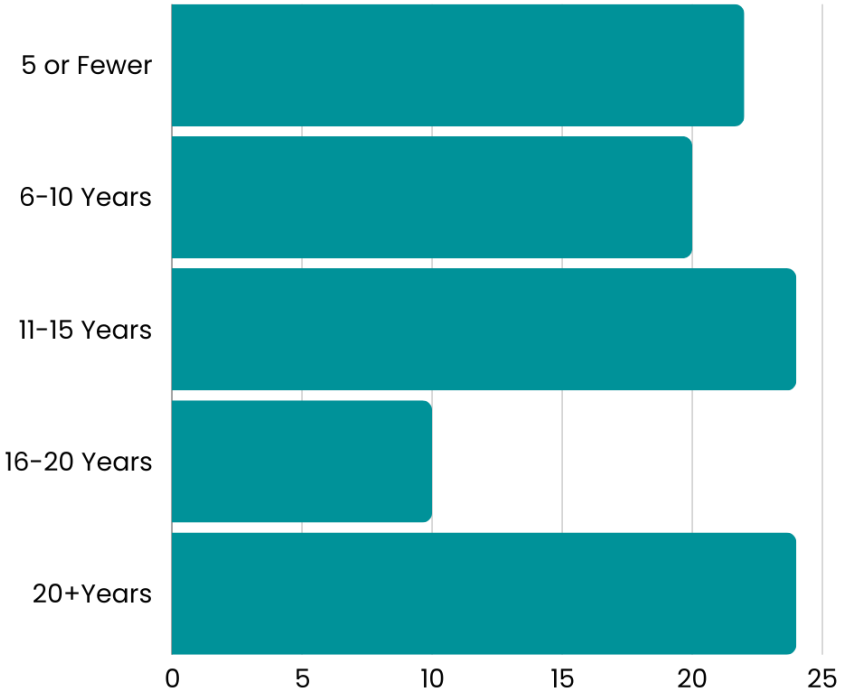
Respondents selected all elements that are included in their business (Figure 1.1). 95% of respondents reported ownership of estate vineyards and 35% indicated off-site vineyards under their management, meaning nearly one in three wineries rely to some degree on non-estate grown fruit to meet their production needs. This compounds challenges related to vineyard labor and equipment use. Managing off-site teams and transporting equipment requires additional time and resources above the demands of managing an estate vineyard, and often increases the challenges of applying best quality assurance and quality control practices.

Regarding tasting room food service, 77% of respondents indicated that they provide a limited food menu and an additional 13% indicated they operate a full service, in-house restaurant, establishing that 90% of the region's wineries offer some level of food service to their guests. For those that provide wine tastings, the average fee per tasting is $19.17.

YEARS OF TASTING ROOM OPERATION

Figure 1.2 shows an even spread of tasting room ages, except for the 16-to-20-year age range representing less than half the average number of wineries of the other age ranges. The lack of tasting rooms in this age range may suggest a set of business difficulties occurring between the fifteenth and twentieth year of business, or it may indicate a reduced rate of new tasting room openings 16 to 20 years ago (corresponding to the years 2004-2008).

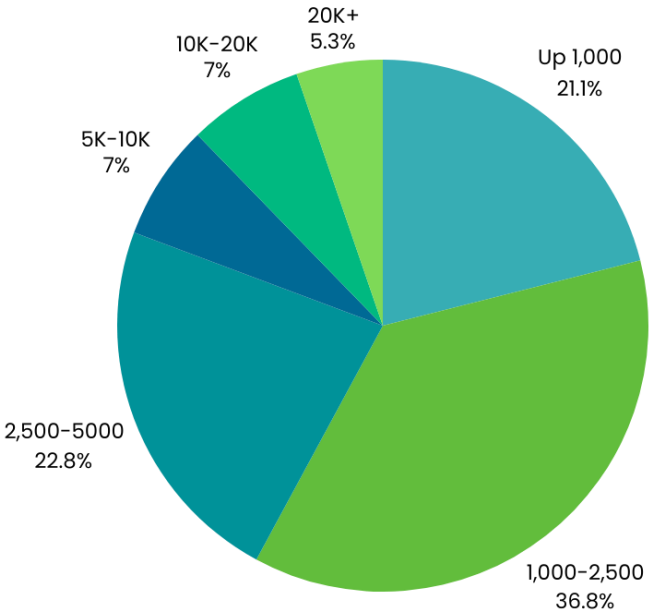
Figure 1.2 – Tasting Room Ages



CASE PRODUCTION IN 2023 (NINE LITER CASES)

Figure 1.3 shows survey respondents' case production levels for 2023. Just over 20% of respondents indicated a wine production level below 1,000 cases and a total of 58% of respondents reported a production level below 2,500 cases, highlighting the quantity of smaller producers in our region. 81% of respondents produce under 5,000 cases, nearly matching the national figure of 82%[2]. While average production is 5,367 cases, just over 5% of respondents indicated production levels of more than 20,000 cases

Figure 1.3 – 2023 Case Production



[2] "2024 Direct to Consumer Wine Shipping Report", Sovos ShipCompliant & WineBusiness Analytics

annually. Notably, this 5% represents nearly 28% of all wine produced in the region.

Not counting any leased vineyard acreage, the average vineyard holding is 20.6 acres which, based on generally accepted average yields per acre, suggests that leased vineyard acreage plays a meaningful role in supporting production volumes.

AREAS OF CONCERN IN THE VINEYARD

Figure 2.0 shows the frequency with which various concerns were raised by respondents regarding their vineyard operations. The two major themes of many of these challenges are related to the changing climate and the staffing of skilled workers. It should be noted that many growers voiced appreciation of the Virginia Vineyard's Association.

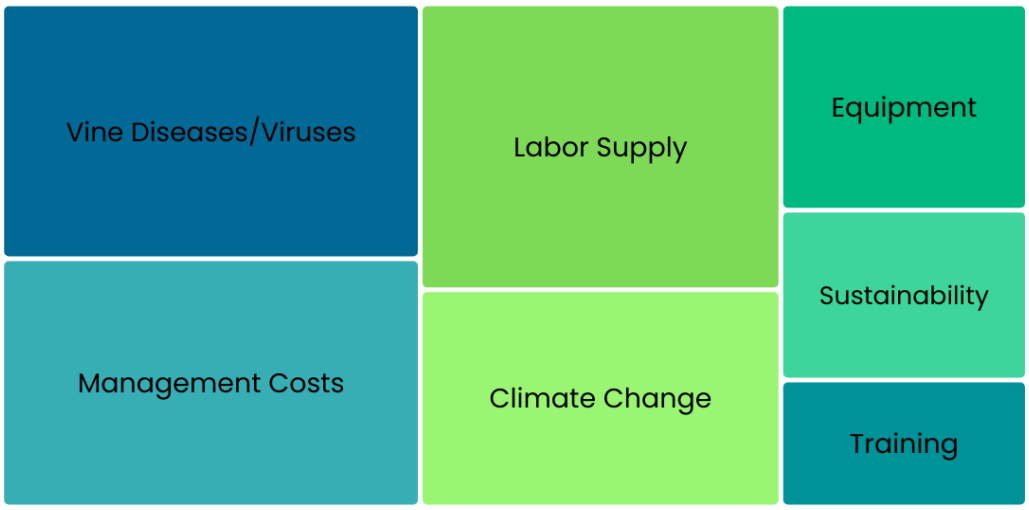


Figure 2.0 – Vineyard Concern Heat Map

• Vine Diseases & Viruses (63% of respondents) – Preexisting disease pressures, contaminated vine nursery materials, unhygienic vine pruning and training practices, as well as the spreading of previously less common diseases, viruses, and pests due to the effects of climate change all pose significant challenges to the region's vineyard managers. Concerningly, the recent arrival of the Spotted Lantern Fly in many of Virginia's vineyards presents new viticultural challenges.

• Labor Supply (62% of respondents) – The nature of grape growing creates major seasonal fluctuations in labor requirements for vineyards, making it difficult to staff consistently and sufficiently throughout the year. With a limited pool of locally based workers from which to draw,

many businesses rely on obtaining sufficient workers through the H-2A temporary agricultural visa program to meet their vineyard's needs.

• Management Costs (62% of respondents) – Worker salaries, vineyard maintenance, equipment costs, spray programs, pest management, harvest costs, and more all factor into the costs of managing a vineyard. The challenges caused by climate change and economic inflation magnify many of these costs.

• Climate Change (47% of respondents) – Our region's increasingly mercurial climate is a major cause of concern for those in agriculture, particularly those who grow wine grapes which are sensitive to climatic conditions. As referenced above, climate change is increasing our region's disease and pest pressures and driving up costs of vineyard management. Mitigating these effects while engaging in more sustainable practices will be key to our region's long term agricultural viability.

AREAS OF CONCERN IN THE WINERY

Figure 2.1 illustrates the frequency of various concerns respondents raised regarding their winemaking operations. Many of the concerns noted under vineyard operations were frequently mentioned as challenges within the winery as well—most notably Labor (52% of respondents), Equipment (35% of respondents), and Climate (25% of respondents). Also, many respondents spoke very highly of the Winemaker's Research Exchange (WRE) as a tremendously important resource for their winemaking operations.

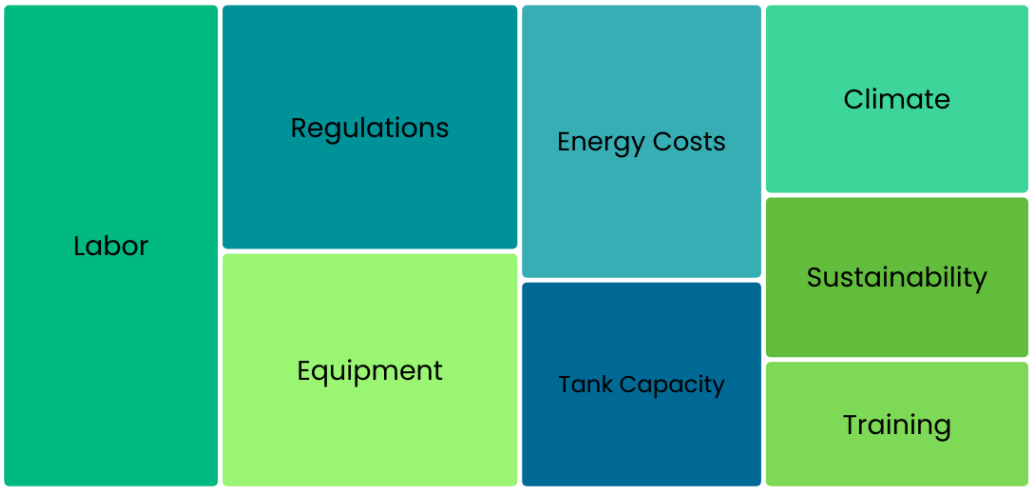


Figure 2.1 – Winery Concern Heat Map

• Regulatory Challenges (37% of respondents) – Navigating the many regulations which govern winery operations can be a management headache, a financial drain, and a constraint to expansion. Confusion regarding the Occupational Safety & Health Administration (OSHA), Virginia Alcoholic Beverage Control Authority (ABC), Alcohol & Tobacco Tax and Trade Bureau (TTB), and other governmental agencies suggests a need for a closer relationship with regulatory agencies as well as a need for additional educational and training opportunities regarding winery regulations.

• Equipment Needs (35% of respondents) – The production of wine requires an extensive range of costly equipment. Chillers/HVAC systems, sorting tables, grape elevators, crusher/destemmers, presses, pumps, punch down tools, barrels, bottling lines, and other winemaking tools require massive capital investments.

• Energy Costs (33% of respondents) – Temperature control is by a wide margin the most significant use of energy in wine production. Maintaining fermentation temperatures, cooling a barrel room, and keeping wine storage conditions in optimal range all require significant energy. The effects of the changing climate have been magnified by rising energy costs.

• Tank Capacity (25% of respondents) – While most respondents did not note this as a concern, 25% of wineries identify tank capacity as a limiting factor. Many of these wineries are under five years of age and are working through financial pains that often accompany business growth and expansion.

VINEYARD & WINERY CONCLUSIONS: CAN OUR REGION SCALE UP WINE PRODUCTION?

The simple answer is yes. While the question of marketing increased wine volume must still be addressed, the survey indicates that our region is, at least logistically, positioned to expand production. 45% of respondents have been unable to sell all their viable grapes at some point within the past five years, and 74% reported an existing capacity to increase wine production if so desired.

Among the five most planted varieties in Virginia, the average cost of grapes per ton over the five-year period ranging from 2019 through 2023 increased by 8.9%[3]. This is less than half of the 18.9% rate of inflation which occurred over the same period[4]. Furthermore, according to the 2023 Virginia Commercial Grape Growers Report, the number of non-bearing vineyard acreage halved in 2023

[3] Based on data from the 2019, 2020, 2021, 2022, and 2023 Virginia Commercial Wine Grape Report
[4] According to the United States Bureau of Labor Statistics, www.bls.gov

compared to 2021 and 2022, demonstrating a reduction in new vineyard plantings. Following supply and demand economics, the sluggish increase in tonnage price combined with slowed vineyard expansion, suggests that there is ample fruit available in the market.

Across our region are recent examples of grapes being left on the vine or harvested and then discarded. This has been found to be the case even during the ongoing 2024 harvest—a year which many growers have described as one of the region's top recent vintages.

Furthermore, based on average tonnage presented by the Virginia Commercial Grape Growers Report, there seems to be opportunities to support increased yields per acre. Over four of the previous five vintages ranging from 2019 through 2023 (vineyard yield data was not collected in 2020), average yields were 2.45 tons per acre. While these yields are consistent with other high-end wine producing regions around the world, if the region wants to increase profitability and become more competitive in lower price brackets, the challenges of increasing vineyard yield must be addressed. Top quality growers from competing wine regions often report yields above 3 tons per acre. More importantly, one award-winning wine producer in the region noted that their targets for red grapes, depending on both vintage and variety, usually fall around 3.5 tons per acre, suggesting it is possible to crop at least 40% more per acre and still produce top quality wines. As vineyard management costs do not significantly increase with higher yields, vineyards targeting more entry level wines may need to target as much as 5 tons per acre. Industry collaboration may be needed to tackle the challenges of site selection, variety and rootstock selection, vine density, spray programs, wildlife pressures, etc. to achieve higher yields and increase profitability.

In conclusion, if assistance can be provided to the region's producers to support an increase in direct-to-consumer sales as well as establish a stronger presence in various target export markets, much of the infrastructure is already in place to allow the region to scale up wine production. It is recognized that this approach may not be suited to all vineyards and wineries in the region but can serve as an option for some producers.

AREAS OF CONCERN IN THE BUSINESS

The frequency with which various concerns were raised by respondents regarding their business operations is seen here in Figure 2.2. Many of these concerns relate to sales and marketing strategies.

Figure 2.2 – Business Concern Heat Map

• Economy/Inflation (78% of respondents) – The majority of respondents indicated concerns about the economy and inflation with 50% of respondents indicating a reduction in volume of wine purchased over the past three years and 41% noting a reduction in average transaction amount over the same period.

• Tasting Room Visitor Traffic (75% of respondents) – During the early years of the COVID-19 pandemic, the desire for access to spacious outdoor locations and the reduction in airline travel resulted in increased winery visitation. With the lifting of restrictions, many wineries not only lost their pandemic era gains, but also continue to struggle to return to their pre-pandemic visitation numbers.

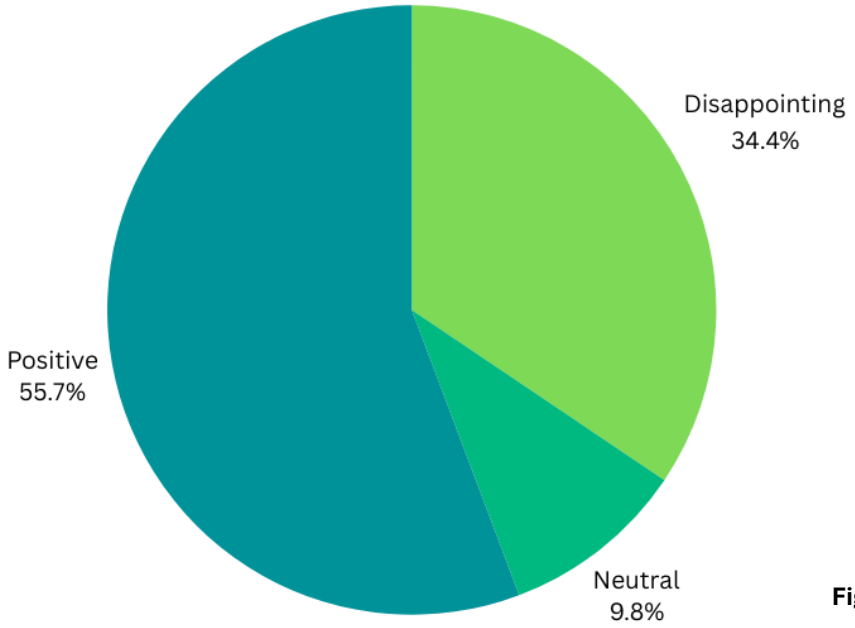
• Staffing (58% of respondents) – Through the survey and through follow up discussions, many of the region's wineries indicated a shortage of staff with the sufficient wine, hospitality, and sales skills needed to succeed in a tasting room. Many winery tasting rooms struggle with recruiting trained and talented staff who demonstrate passion for the Virginia wine trade.

• Cash Flow (50% of respondents) – In the wine trade, many expenditures often come at times of the year when revenues are low, making it difficult for wineries to balance their finances. Several respondents reported a lack of flexible grant funding and low interest loans.

• Marketing (43% of respondents) – These respondents identified a need for more robust online marketing via paid advertising, social media, and/or search engine optimization in order to grow their presence in new markets with broader demographics.

THE 2023 WINE SALES YEAR

Respondents were asked to characterize their 2023 sales year as "the most disappointing year ever", "one of the more disappointing years", "somewhat disappointing, "neither good nor bad", "somewhat good", "one of the better years", or "the best year ever" (Figure 3.0). The fact that nearly 56% of respondents selected positive responses is cause for great optimism—particularly taken in the context of a broad cooling down of sales across the wine trade[5]. Just over one third of respondents selected negative responses, which is much more reflective of the wine trade as a whole. According to the International Wine & Spirits Record (IWSR), a United Kingdom-based drinks think tank, the wine category is down 10% globally from a 2019 peak[6].



- **Disappointing Sales**
  Mean age of business: 11-15 years
  43% - "Word of Mouth" primary marketing
  43% - 3 or more social media posts per week
  48% - VWDC Exclusive distribution
  Satisfaction with in-house marketing: 7/10
- **Neutral Sales Year**
- **Positive Sales**
  43% - "Word of Mouth" primary marketing
  58% - 3 or more social media posts
  60% - VWDC Exclusive distribution
  Satisfaction with in-house marketing: 5/10

Figure 3.0 – 2023 Sales Year

When asked to rate their in-house marketing efforts on a ten-point scale, wineries with disappointing sales numbers rated their abilities an average of 7 out of 10—two points higher than the average self-

[5] "State of the US Wine Industry 2024", Silicon Valley Bank, Rob McMillan
[6] "8 Key Trends Set to Shape Beverage Alcohol In 2024", IWSR Drinks Market Analysis

rated numbers shared by wineries reporting positive sales numbers. Wineries with positive 2023 sales numbers were more likely to use social media consistently over other wineries.

The fact that the mean age of wineries with disappointing sales is between 11 and 15 years, combined with the data showing a noticeable dip in existing wineries in the 16-to-20-year age group, could further indicate some difficulties as wineries approach the 15-year age mark.

There was no correlation between case production levels and sales year success, suggesting (at least in 2023) that winery size is a poor predictor of sales strength.

COMPARING BOTTLE PRICE, THE 2023 SALES YEAR, AND CONSUMER TRENDS

Contrary to a popular opinion, higher priced Virginia wines do not seem to suffer from slower sales. In fact, the opposite appears to be closer to reality. Shown below in Figure 3.1, wineries reporting disappointing 2023 sales trend towards the lower price ranges while wineries reporting positive 2023 sales trend toward the median and upper price ranges.

According to a 2024 national study by YouGov, only 16% of buyers typically pay over $30 per bottle of wine[7]. The region is seeing some success in direct-to-consumer sales with wines at that price or

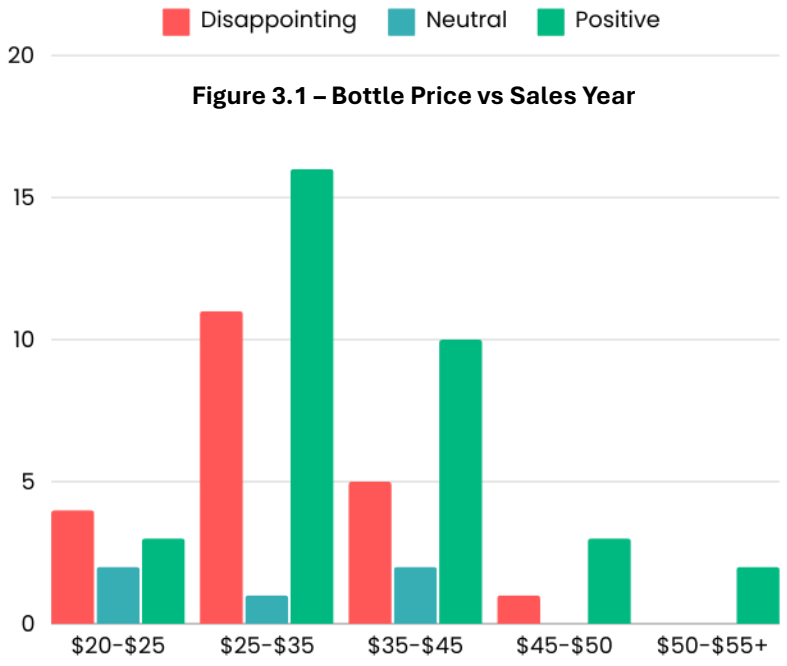
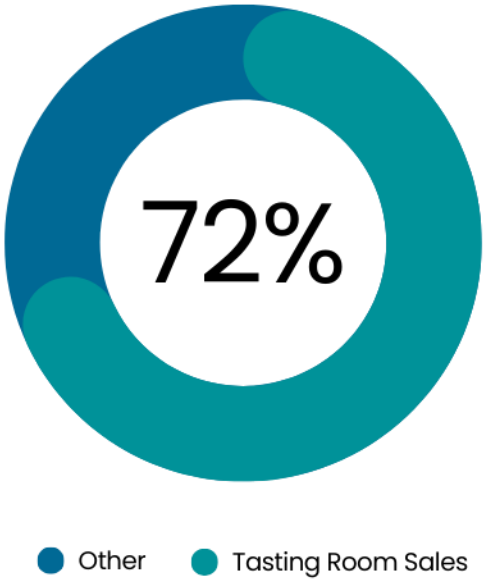


Figure 3.1 – Bottle Price vs Sales Year



[7] "Americans' Opinions on Wine | March 2024", YouGov

higher in Tasting Rooms (which account for 72% of all sales). However, to appeal to a broader group of wine consumers and to scale up distributed sales of wines outside of the region, progress must be made in reducing the cost of production and passing that on to the consumer. Industry-wide work will be required to produce wines that can balance quality, profitability, and pricing.

In addition to striving for comfortable price points, regional wine producers must have an awareness of consumer preferences. Wine style, variety, region of origin, critics' ratings, alcohol percentage, and label design are all significant factors (as seen below in Figure 3.2) identified by the YouGov study.

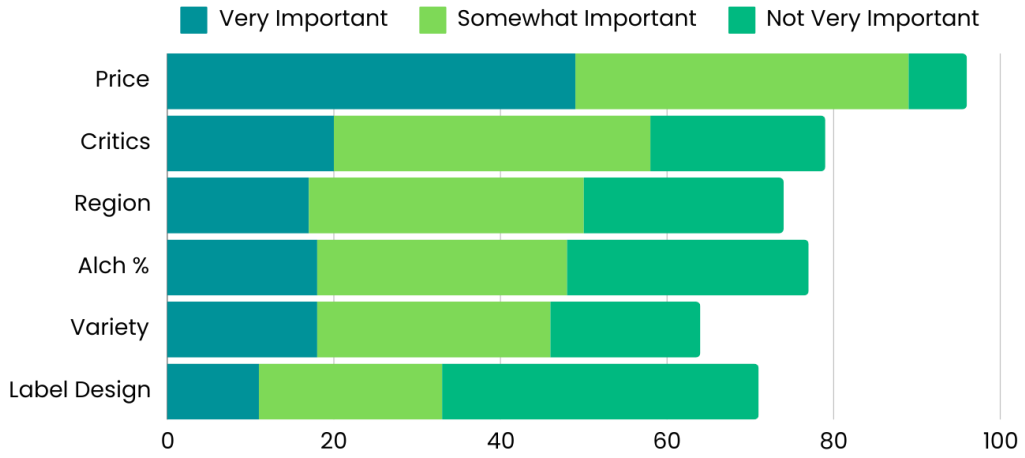


Figure 3.2 – Purchase Factors for Wine Consumers

Unsurprisingly, 89% of wine buyers indicated that price is a major consideration. 58% of buyers are influenced by critics' ratings and scores when selecting a bottle. 50% of buyers listed "region" as either very important or "somewhat important" to their purchasing decision. Additionally, 65% of buyers were not confident that they could taste the difference between a $10 and $100 bottle of wine, suggesting the possibility that some producers in Virginia could diversify from premium

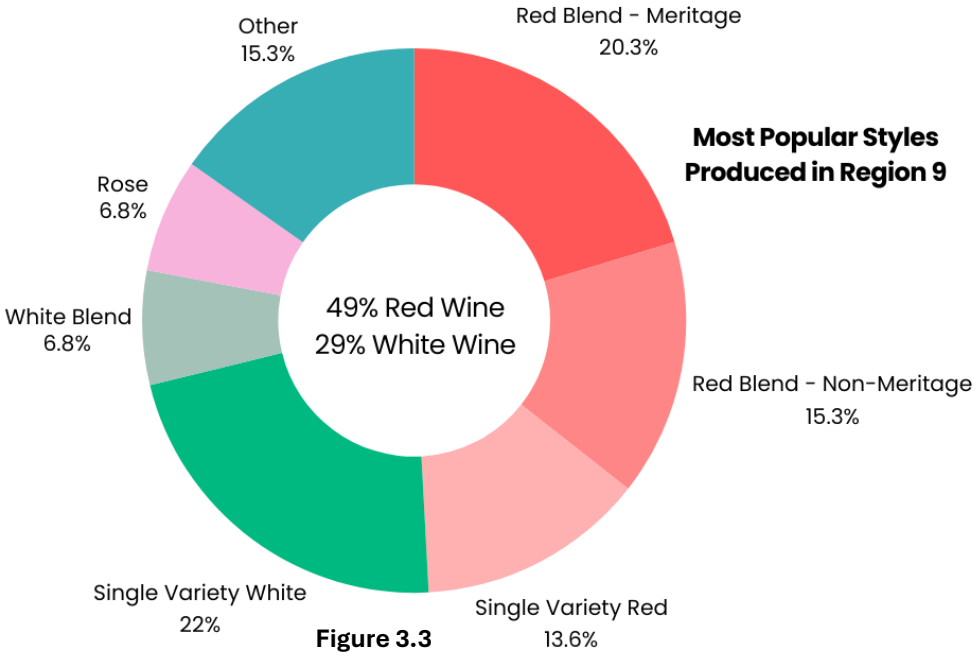


Figure 3.3

wines into more entry level styles, if the necessary industry supports were in place.

With consumer preferred wine styles, it is important to understand that this covers more than just common grape varieties or common blends. In the modern wine trade, there is an increasingly well-defined line between what might be called "traditional" styles of wine and what could be considered as more avant-garde styles of wine. Success in today's market requires both approaches.

As seen above in Figure 3.3, the most popular styles of wine produced in the region make a fair approximation of the most popular wine styles for American consumers as identified in the 2024 YouGov Study. It is important to note that the currently fashionable, non-traditional wines previously mentioned were not accounted for in the YouGov study. Examples of trending styles of wine includes red wines intended to be served chilled, wines with lower alcohol by volume, organic/sustainably produced wines, amber wines, experimental ferments, etc.

INSIGHTS FROM THE ON-TRADE & OFF-TRADE

To provide context to the survey results gathered from the region's vineyards and wineries, discussions took place with over 30 individual stakeholders in the on-trade (wine bars, restaurants, etc.) and in the off-trade (wine shops, grocery stores, specialty shops, etc.) located throughout the region as well as in target markets such as Northern Virginia, Washington D.C., and New York City.

Figure 3.4 – Trade Feedback Heat Map

Members of the on-trade (such as beverage managers, sommeliers, and owners) often lament how busy schedules prevent them from visiting Virginia wineries, even given the proximity to so many from Northern Virginia and Washington D.C. While winemakers and brand managers from many other regions or wineries do make market visits, the general feeling amongst these on-trade wine professionals is that Virginia's wineries miss out on opportunities for greater sales volume by not putting

in more face time in these target markets. They hope for more in-market tasting opportunities to give them a chance to learn more about the wines and the people behind the labels.

Complementing the desire for additional information about the wines and terroirs of Virginia, there is a strong appetite from Virginia wine producers, marketers, distributors, and enthusiasts for a Virginia focused wine education program. This program would provide consistent messaging, a broad understanding of the region, and clarify talking points for front line hospitality and beverage staff, with the objective of leveraging members of the trade as goodwill ambassadors for Virginia wine.

On-trade and off-trade wine professionals report higher interest and greater traction with wineries that produce bottles that can act as "on ramp wines" for younger consumers. These non-traditional wines incorporate the use of new-to-the-region varieties, unusual wine making techniques, lower levels of alcohol, food friendly characteristics, and catchy branding. While the consensus seems to reflect that pricing is not an issue when it comes to placing Virginia wines on a wine list by the bottle, there is an overwhelming desire for options priced to be served by-the-glass (BTG) which would help broaden the exposure to the region.

Wine buyers also note a need for updated branding with bottles and labels to cater to a more modern demographic. Wine buyers emphasize the need for Virginia's wines to make a great first impression, particularly on the shelves of the off-trade. Similar comments were noted about some of the region's wineries' websites and online marketing materials as well, suggesting that there may be a need for helping regional wineries understand best practices in branding and marketing.

INSIGHTS FROM DISTRIBUTORS

While 50% of survey respondents use the Virginia Winery Distribution Company (VWDC) exclusively as their method of distribution, the remaining half of respondents work with private distributors to varying degrees. From large national distribution companies such as Winebow or Republic National, to medium sized companies such as International Cellars, and smaller operations like Williams Corner or the Robins Cellars, the region's wines can be found in the books of distributors of all sizes. Interestingly, regardless of the size of distributor, many in this sector shared similar insights into the strengths and weaknesses of the region's wine in the traded sector.

Much as with the on-trade and off-trade, distributors frequently mentioned the need for more selections with entry level pricing. This is not to say there is a general dissatisfaction with the region's wine prices, but more a comment on the role that entry level wines can play in supporting the sale of premium wines.

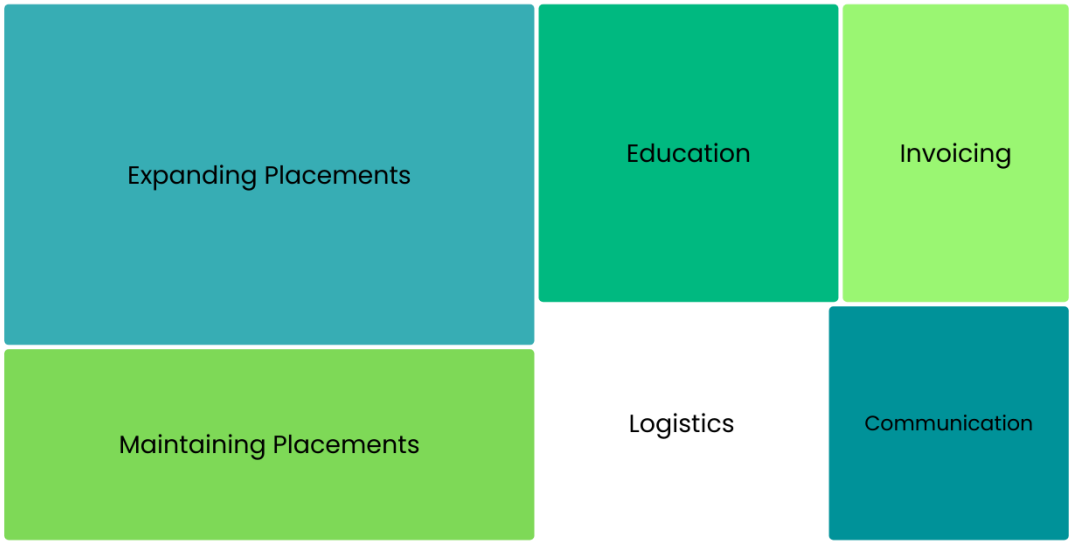


Figure 3.5 – Distributor Feedback Heat Map

They also observed that winery tasting room pricing strategies are somewhat less successful in the marketplace. Another similar comment made by distributors was the lack of sufficient inventory to meet demand and the resulting challenges in regaining placements on shelves and wine lists after losing them due to shortages. It is often a significant amount of work to win a placement with a restaurant or retailer. When inventory fails to meet demand, wine buyers replace that position with another wine, often meaning that when the original wine is again available, there is no space awaiting its return to the shelf or wine list.

Distributors broadly feel that Virginia's unique combination of terroir, style, and grape varieties provides ample opportunity for success in an increasingly competitive market. However, they would like to see more active participation by winery ownership or staff in the market facilitating better education of their accounts while giving the wineries a better understanding of their reception in the market. As others have commented, a successful wine business requires successful relationships in the market. As it pertains to Virginia wines, many distributors receive feedback from their accounts indicating preference for producers who visit, check-in, and support their businesses as well. These visits can also build goodwill with distributors and their sales teams, further strengthening their passion for selling the wines. Furthermore, it affords producers the opportunity to see what other

wines are on the shelf or wine list and see where their own bottles fit in terms of price, style, branding, etc. This can be invaluable market research. Requiring this can be a burden to the producer, nevertheless, it remains the case that in-market visits often support higher sales.

INSIGHTS FROM WINE WRITERS, EDUCATORS, & INFLUENCERS

Many of the world's successful wine regions have found their biggest champions among the ranks of wine writers, educators, and influencers. Leveraging their platforms in both print and online, these members of the wine trade ecosystem are uniquely positioned to spread wine awareness and appreciation. For emerging wine regions or regions hoping to promote their wines and while controlling messaging, it is critical that writers, educators, and influencers are proactively engaged by the region in professional relationships.

In these discussions, several common weaknesses were mentioned regularly: insufficient education and awareness, lack of accessibility in the marketplace, limited efforts in sustainability, and limited subsidized experience and travel opportunities.

Education & Awareness

Writers, educators, and influencers are naturally more inclined to write on and speak about topics that not only interest them but that are also more easily studied and understood. Lacking any presence in the realm of formal wine education, Virginia does not have as much traction as it could amongst servers and sommeliers and the same is true with this group as well.

Accessibility

Writers and influencers are more likely to discuss wines that are readily available in local markets to their readers and followers. Similarly, wine educators are more likely to discuss wines that they can open and pour for their students. This leaves the region, and Virginia as a whole, at a disadvantage due to a limited range of distribution in the traded sector.

Limited Sustainability

Much of the the wine world has begun to work intensely on increasing sustainability in their vineyards and wineries. This is easier to achieve in some regions than in others due to differences in climate and soil. However, it does seem that increasing pressure from the market has motivated producers

even in other challenging viticultural regions (e.g., Bordeaux, Burgundy, Barolo, etc.) to invest the time and resources into understanding what sustainability looks like for their specific region. Reflecting these market pressures, wine writers, educators, and influencers are regularly asking for what their audiences are asking for: sustainably produced wines. This presents a major opportunity for our region to support the continued expansion of sustainability in Virginia wine production.

Experiences & Travel

Many of the world's wine regions fund immersive wine trips for outside wine professionals to visit and take deep dives into the region's wines, terroir, and culture. For this reason, our region may be missing out on crucial exposure opportunities.

RECOMMENDATIONS FOR THE INDUSTRY

What follows is a list of action items crafted from a combination of information gathered by the vineyard and winery surveys as well as extensive conversations with members of the wine trade. Conversations regarding these recommendations also included representatives of the Virginia Wineries Association, the Virginia Vineyards Association, the Winemakers Research Exchange, the Virginia Wine Marketing Office, members of the Virginia Wine Board, the Virginia Department of Agriculture and Consumer Services, and many others. Each of these recommendations is proposed to increase the competitiveness of the region's wines in the traded sector. Some of these recommendations are faster, easier, and less resource intensive than others, but they share the same goal of increasing traction in the region's target markets and fueling more robust long-term growth for the industry in the traded sector. Currently less than 22% of Region 9 wineries distribute wines out of state, with the average out of state sales accounting for approximately 3% of revenue. While these recommendations have been formed with data and insight collected from vineyards and wineries within GO Virginia Region 9, these recommendations have the potential to serve the Virginia wine industry equally across the Commonwealth.

Organizational Initiative #1: Establish Industry Coalition – Virginia Wine Institute

While there are several industry groups and existing public resources available, there are significant breakdowns in communication across the public and private sectors. Lack of collaboratively driven

innovation has slowed the spread of key knowledge and stymied the development of industry expansion.

Goal: Create a non-profit coalition, directed by private sector leadership, of industry professionals and support organizations to drive the initiatives outlined in the 2024 Wine Cluster Scale Up Planning Grant report and to catalyze coordination between private sector needs and public/private resources, thereby accelerating Virgina wine in the traded sector.

Implementation & Impact: Comprised of an Executive Director and a Board of Directors, the coalition will implement and accelerate a range of initiatives aimed at strengthening the Virginia wine industry throughout both the Commonwealth and in the traded sector in targeted markets. The coalition will build more robust communication streams between—and among—the private sector, trade groups, and public organizations, thus allowing for a more aligned, forward moving support effort for the region's vineyards and wineries. By bridging these partnerships and filling in gaps of provided services, the coalition will serve as a model for broad industry collaboration and acceleration. Additionally, in strengthening the partnerships amongst the private sector, industry groups, and existing state resources, the coalition will be able to implement many of the recommendations of the 2024 Wine Cluster Scale Up Planning Grant as outlined below. These initiatives will focus heavily on supplying currently unmet educational needs in the areas of vineyard management, winemaking, outreach, marketing, business, hospitality, and wine knowledge. The coalition will also provide a working thinktank for the Virginia wine industry that will support grape growers and winemakers across the Commonwealth.

Potential Partners: Virginia Wineries Association (VWA), Virginia Vineyards Association (VVA), Winemakers Research Exchange (WRE), Virginia Wine Board Marketing Office, Central Virginia Small Business Development Center (SBDC), local Destination Marketing Offices (DMOs), Virginia Tourism Corporation (VTC), Virginia Department of Agriculture & Consumer Services (VDACS), US Department of Agriculture (USDA), Piedmont Virginia Community College (PVCC), Central Virginia Partnership for Economic Development, Venture Central, Community Investment Collaborative, and winery owners, wine trade professionals, and other private sector leaders.

Funding Possibilities: GO Virginia, Virginia Wine Board, Virginia Department of Agriculture & Consumer Services, and the US Department of Agriculture Specialty Crops Grant. The coalition will seek financial sustainability through ongoing private sector partnerships, and public engagement through educational opportunities.

Consumer Relations #1: Tasting Room Secret Shopper Program

Many winery owners and managers struggle to receive crucial feedback about guest experiences. Owners and managers alike report frequently interacting with guests to solicit feedback and carefully monitoring online reviews. However, many consumers will readily admit that they feel uncomfortable providing even constructive criticism and will not take the time to submit online reviews. While online reviews that are posted can provide some insight, they fail to paint a complete picture.

Goal: Develop a targeted secret shopper program that will provide valuable feedback and supply action items to owners and managers regarding every aspect of the guest experience.

Implementation & Impact: The maxim that "no news is good news" does not apply when it comes to customer feedback. By designing and implementing a secret shopper program with trained individuals focused on an industry specific rubric, unbiased feedback can be provided regarding every element of the guest experience: location, parking, hospitality, cleanliness, comfortable facilities, branding, wine quality, tasting experience, and much more to willing wineries in the region. Owners and managers could then share this feedback with their team and develop strategies for improving their guest experience and supporting the growth of repeat tasting room business.

Potential Partners: Virginia Wine Coalition, Virginia Wine Marketing Office, Virginia Wineries Association

Funding Possibilities: Virginia Wine Board

Consumer Relations #2: Consumer Focus Groups

As mentioned above, there are barriers to receiving critical feedback. Winery owners and managers may not be receiving the information they need to hear regarding the consumer perception of their wines.

Goal: Fund consumer focus groups to solicit anonymous feedback on perception of wine quality, wine style, packaging, branding, pricing, etc.

Implementation & Impact: Wineries in the region choosing to participate can have their wines included in tasting panels with professionally organized wine consumer focus groups. Like the secret shopper program, this will provide an honest review of all elements of their products from representatives of the general wine drinking public. With this information, wineries may be able to have a fresh take on how their wines can be more attractive in the traded sector.

Potential Partners: Virginia Wine Coalition, Virginia Wine Marketing Office

Funding Possibilities: Virginia Wine Board

Distribution & Market Building #1: Virginia Winery Distribution Company Review

Half of respondents use the Virginia Winery Distribution Company (VWDC) as their exclusive mode of distribution and 62% indicated a desire for a more full-service option from the VWDC. Over one third of respondents indicated that self-distribution burdens limited their success in expanding their distribution.

Goal: Undertake an extensive feasibility study on the potential of expanding the VWDC to offer full-service distribution, sales team, and logistics, akin to a traditional distribution company, thus helping more Virginia wines make it to the traded sector.

Implementation & Impact: Nearly all respondents with wines in distribution shared some data or comment suggesting challenges with distribution, creating some level of constriction on growth in the traded sector. On the surface, the answer seems easy: expand the VWDC. However, this is a massively complex issue situated at the intersection of legislative and regulatory challenges,

management difficulties, liability issues, complex logistics, infrastructure requirements and more. There are valuable lessons to be learned by efforts made in this area by other agricultural sectors (ex: the Local Food Hub in Charlottesville) as well as potential partnerships to be formed with established private distribution companies. It is the recommendation of this report that a subsequent study, focused wholly on the feasibility of expanding the VWDC, be undertaken with the goal of identifying what is possible and how to achieve those possibilities.

Potential Partners: Williams Compliance, Virginia Wine Coalition, Virginia Wine Board, Virginia Winery Distribution Company Board

Funding Possibilities: Virginia Wine Board

Distribution & Market Building #2: Virginia Wine Roadshows in Target Markets

Many wine shop owners, beverage managers, buyers, and sommeliers voiced complaints about lack of in-market opportunities to meet Virginia winemakers and taste their wines as they are often visited by winemakers and brand ambassadors from other wine regions.

Goal: Fund and organize "Virginia Wine Roadshows", inspired by the successful efforts of the Willamette Valley and Finger Lakes (i.e. Finger Lakes Wine Alliance FLX Roadshow) wine regions, which bring Virginia winemakers and their wines to the decision makers in target markets.

Implementation & Impact: Many wine purchasing decision makers in the marketplace are interested in small format, intimate "meet and greet" style tastings, featuring just a few winemakers. As our region's wineries well know, it is as often the stories that sell that wine as much as the wine itself. These small format tastings not only bring the wines to the busy buyers in their markets, but they also bring the stories behind the labels. Building these one-on-one relationships while tasting through the wines has been shown by other regions to drive sales and build loyalty to both individual brands as well as the entire region. Offering some travel reimbursement to participating producers could help include smaller producers who otherwise might not have the budget to cover the necessary costs, and organizing these trips by including producers from similar localities within the region might reduce the challenges associated with transportation while also fostering the community appeal cherished by fans of Virginia's wine.

Potential Partners: Winemakers, Virginia Wine Marketing Office, Virginia Wine Coalition

Funding Possibilities: Virginia Wine Marketing Office, Virginia Tourism Corporation

Distribution & Market Building #3: Easing Virginia ABC Store Wine Placement Process

Several survey respondents indicated significant challenges in placing their wines on shelves at Virginia ABC stores. This could potentially be a widely untapped marketplace for the region's wines.

Goal: Call on industry leaders with the Virginia Wineries Association and the Virginia Wine Board to engage directly with the Virginia ABC regarding this issue.

Implementation & Impact: High level conversations between the Virginia ABC and wine industry leaders could aid in reducing the challenges in having Virginia wines placed on Virginia ABC store shelves, offering an expanded reach that might be particularly helpful in exporting wines out of producer dense regions such as GO Virginia Region 9, into other areas of the state.

Potential Partners: Williams Compliance, Virginia Wine Board, Virginia Wine Distribution Company Board, Virginia Wine Coalition

Funding Possibilities: Virginia Wine Board, Private sector contributions

Industry Collaboration #1: Vineyard & Winery Equipment Sharing Cooperative

Vineyard and winery equipment is expensive to own and operate and is often only needed for limited tasks or certain times of the season.

Goal: Investigate the feasibility of establishing a cooperative equipment sharing entity to reduce the investment burdens of maintaining and/or expanding vineyard and winery operations.

Implementation & Impact: The region may be interested in seeking out recommendations about the possibility of establishing a "sunbelt equipment rental style" entity which could allow for the rented use or factional ownership of certain expensive pieces of vineyard and winery equipment.

Potential Partners: Virginia Wineries Association, Virginia Vineyards Association

Funding Possibilities: Private sector funding

Industry Collaboration #2: Establish Annual Industry Speaker Series

Many annual meetings and seminars offered in the region rely solely on regional expertise and therefore, likely unintentionally, exclude outside professional viewpoints which may prove valuable to the region's vineyards and wineries.

Goal: Establish and fund an annual speaker series with the intentional focus of bringing in outside industry experts to discuss topics which cover wine growing, wine making, and the business and marketing of wine.

Implementation & Impact: Engaging with wine professionals from successful wine regions across the country will bring fresh perspective into the region and present new points of view on the challenges faced here. Rather than rely on internal members of the trade, this creates a path for the growth of collaboration between this area and other winemaking areas allowing Virginia wine to emulate the success of other regions. Hosting these talks twice annually will allow for one meeting to occur in the central Virginia area and an additional meeting to occur in the Northern Virginia area. A virtual component will ensure that all interested participants are included at low cost, but funding will be required to cover travel expenses for the speakers as well as any venue fees. Following the model of similar events designed by the CvilleBioHub and the proposed Venture Central Food & Beverage Accelerator, winemakers could attend the meeting with a bottle of wine to share and further increase the value of speaker series by continuing the conversation and deepening the collaboration.

Potential Partners: Virginia Wine Coalition, Piedmont Virginia Community College, Virginia Wineries Association, Virginia Vineyards Association

Funding Possibilities: Virginia Wineries Association, Piedmont Virginia Community College, Virginia Wine Board

Industry Collaboration #3: Sustainability Partnership

As established by this study, many wine buyers identify Virginia as uncompetitive in the traded sector when it comes to sustainable grape growing and wine making practices.

Goal: Support an organization of growers in the region who will work to define and establish best practices for increased sustainability in the vineyard and winery.

Implementation & Impact: Many successful wine regions across the country have developed sustainability programs. Taking inspiration from programs such as New York Sustainable Wine, the LIVE certification in the Pacific Northwest, and the Napa Green organization, Virginia could establish itself as a region that is striving to lead in this area. This goal is not without challenges in this region's climate, but sustainability initiatives can be found even in other similarly challenging areas. This will not only serve the environment well but will also make the region's wines more attractive to consumers increasingly looking for sustainably produced wines, particularly in target markets such as Washington D.C and New York City. This study revealed several producers in the region willing to establish this program, provided it can be supported with funding.

Potential Partners: Virginia Wine Coalition, Virginia Wineries Association, winery partners

Funding Possibilities: Private sector contributions, Virginia Wine Board

Industry Collaboration #4: Vineyard & Winery Cost of Production Review

Low vineyard yields and high costs of production make it difficult for Virginia wine producers to scale up production and compete in the entry level and by-the-glass segments of the market.

Goal: By reviewing wine industry best practices and adapting them to the unique Virginia circumstances, a guide can be created to offer recommendations for vineyard management and wine production methods to create profitable wines in lower price ranges and ensure sufficient inventory to maintain distribution placements.

Implementation & Impact: Conducting a study on increasing vineyard yields and reducing costs of production in the vineyard and the winery could offer valuable lessons to producers of all sizes throughout the state. This would serve to increase margins on premium wines as well as expanding opportunities for entry level and by-the-glass wines which is critical for increasing the presence of the region's wines in the traded sector.

Potential Partners: Virginia Wine Coalition, Virginia Vineyard Association, Virginia Winery Association, Winemakers Research Exchange, Piedmont Virginia Community College

Funding Possibilities: Virginia Wine Board, US Department of Agriculture Specialty Crop Grant

Industry Collaboration #5: Cooperative Wine Retail and Small Event Space in Washington D.C.

The lack of a physical footprint in Washington D.C. limits the visibility of Virginia wines in a major target market. Additionally, the expense of renting space to host Virginia wine presentations is a significant hurdle to market-building in the District, particularly for small producers.

Goal: Establish a cooperatively owned and managed Virginia wine retail and event space within Washington D.C. This location will offer an opportunity for all producers in the region to have shelf space for their wines in this target market as well as a location to host trade and consumer tasting events.

Implementation & Impact: Washington D.C. is home to a vibrant food and wine scene and is the origin of many visitors to Virginia wine country. By establishing an exclusively Virginia wine focused retail location, producers from the region can not only more easily expand into the traded sector but can also drive traffic back to their tasting rooms. This will effectively remove many of the barriers to entry for the region's wineries which wish to pursue distribution growth and further industry engagement. There is significant opportunity with this project to catalyze additional traded sector growth by launching marketing initiatives from the heart of the DMV area.

Potential Partners: Virginia Winery Distribution Company, individual wineries, Virginia Winery Association, Virginia Wine Coalition

Funding Possibilities: GO Virginia, Virginia Wine Board

Educational Opportunities #1: Certificate on Virginia Wine

Inconsistent messaging in tasting room and lack of knowledge on restaurant floors, in wine bars, in wine shops, and among distributors sales teams often leaves Virginia out of the conversation or at a major disadvantage in the marketplace.

Goal: Develop an accessible, online Virginia wine certification program available to tasting room staff, wine trade, and consumers, with targeted marketing throughout Virginia, Washington D.C., New York, and beyond, giving them talking points and confidence to encourage consumers to purchase the region's wines.

Implementation & Impact: Professional wine certification program engagement is at an all-time high. The Wine & Spirit Education Trust (WSET), one of the world's foremost and most respected formal wine training institutions, has reported record growth of their enrollment for the past four years. While based in London and offered in 75 countries, WSET's largest market is the United States, showing a 15% growth rate last year and representing a total of 22.5% of total student

body[8]. This demonstrates a sustained appetite in the US for formal wine certifications. Although Virginia has officially received its first mention as part of the WSET program's prestigious Diploma in Wine qualification, Virginia has largely lacked inclusion in most wine education. As such, it is not often a topic that many members of the on-trade and off-trade have the confidence to discuss with their guests. Offering a Virginia wine specific certification program will ensure that the region stays competitive with other regional wine certification programs such as those seen in the West Coast wine trade[9], in Texas and in international wine regions such as the country of Georgia, and various French, Spanish, and Italian regions as well. Capitalizing on this current passion for certified wine knowledge, Virginia can position itself as the next big talking point with wine professionals working in target markets while also ensuring that the information shared is favorable and factual. This self-directed, online, professional wine certification program will cover all aspects of the Virginia trade with standardized curriculum. Topics will include vineyard operations, winemaking techniques, and a comprehensive overview of the varieties and styles of wine that make Virginia a unique wine region. Each unit will be supported by a series of videos, illustrations, and text slides to provide a deep understanding of the material. Following each unit, a review quiz will provide a check on learning before students continue. At the conclusion of the curriculum, a final quiz will review all topics covered throughout the course. Unlike the skills-based coursework in viticulture and enology currently available at Piedmont Virginia Community College, this program will focus more on conceptual Virginia specific wine knowledge.

Potential Partners: Virginia Wine Coalition, Piedmont Virginia Community College

Funding Possibilities: Funding sourced through the coalition will cover necessary startup costs. Fees will be assessed from course participants to ensure long-term financial sustainability of the program and provide funding for future expansion of the program.

Educational Opportunities #2: Workforce Development

Hiring difficulties remain a significant threat to business growth. There is an underdeveloped pipeline of trained vineyard, winery, and tasting room staff from which the region can pull employees.

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[8] WSET Global "WSET Education Available in More Countries Than Ever",

[9] Contact has been made with the "Capstone California" wine educational program sponsored by the California based Wine Institute. While economic data has not been made available, anecdotal observations point to strong success in raising awareness and outreach to target markets.

Goal: Invest in more robust workforce development programs with partners from community colleges, other colleges and universities, and state organizations. Additional education will not only support stronger operations in the vineyard and winery, but business and marketing focused education will support increased success of expanding in the traded sector.

Implementation & Impact: Inspired by programs such as the Wine Business Institute at the Sonoma State University, Virginia should offer a more robust and formal workforce development pipeline that not only serves the wine growing and making operations of the region but also the business, marketing, and hospitality needs as well. While the vineyard, winery, and hospitality courses will require significant hands-on training, much of the business and marketing coursework could be completed online, allowing for a lower barrier to entry for students interested in that tract. Forming partnerships at institutions with existing complimentary curriculum could strengthen state-wide efforts in this regard.

Potential Partners: Virginia Wine Coalition, University of Virginia, Piedmont Virginia Community College, Virginia Tech, Virginia Department of Labor and Industry, Virginia Works

Funding Possibilities: Piedmont Virginia Community College, Virginia Works, Private sector contributions

Educational Opportunities #3: Support Internship Opportunities

Hiring and training an intern can be a risky investment, especially for small businesses.

Goal: Utilize the statewide Virginia Talent + Opportunity Partnership (V-TOP) grant to hire college aged interns in wineries across the region.

Implementation & Impact: Many aspects of the wine trade require taking a long view of things and it is the same with creating a well-trained workforce. Engaging young people into the wine trade through internship opportunities can serve as a substitute for those uninterested in traditional educational formats or also as hands-on reinforcement of lessons learned in the

classroom. Encouraging vineyards and wineries to invest in young people by offering funds to cover the costs of interns will not only support businesses now but also invests in a skilled Virginia wine workforce of the future. V-TOP offers wage matching to businesses who hire interns, so long as the business is at least three years old and has fewer than 150 employees. In Region 9, UVA is the grant-holder for V-TOP and Central Virginia Partnership for Economic Development is a partner on the grant.

Potential Partners: Virginia Wine Coalition, Virginia Wineries Association, Piedmont Virginia Community College

Funding Possibilities: Virginia Talent + Opportunity Partnership

Educational Opportunities #4: Sponsoring Immersive Educational Trips

Wine industry decision makers from identified target markets and beyond lack firsthand experience with Virginia's wine, making it difficult to excite sales energy.

Goal: Subsidize visits to the region by connecting with high performing wine professionals working in target markets through essay contests and/or educational presentations and testing.

Implementation & Impact: Capitalizing on the recent inclusion of Virginia in the WSET Diploma curriculum and engaging with students of top-level study programs such as the Institute of Masters of Wine, Virginia has the chance to create lifelong ambassadors out in target markets who will have a special dedication to championing the region's wines due to the goodwill generated by such experiences.

Potential Partners: Virginia Wine Coalition, Virginia Wine Marketing Office

Funding Possibilities: Virginia Wine Marketing Office, Virginia Wine Board, Private sector contributions

Educational Opportunities #5: Expanding Vineyard & Winery Technology

Emerging technologies such as cutting-edge sensors, wine production specific software, and artificial intelligence applications are rapidly influencing the future of wine. Lack of awareness of insufficient funding prevents many regional wine producers from benefiting from new technological advancements.

Goal: Convene experts to share information regarding recent advancements in applicable vineyard and winery technology and connect producers with funding to take advantage of these opportunities to scale up their operations.

Implementation & Impact: By introducing the latest technologies the region will ensure that vineyards and wineries here have every possible advantage in increasing their productivity, increasing profitability, and raising quality standards, making the region's wines more competitive in the traded sector.

Potential Partners: Virginia Wine Coalition, Winemakers Research Exchange, Private sector partners

Funding Possibilities: Commonwealth Commercialization Fund, Virginia Wine Marketing Office, Virginia Wine Board, Private sector contributions

Industry Wide Branding #1: Agricultural Partnerships

There is a disconnect between the marketing efforts of Virginia's various agricultural products.

Goal: Develop cross-industry marketing to support "what grows together, goes together", and leverage Virginia's position as a major agricultural producer to uplift marketing across the entire sector.

Implementation & Impact: Discussions of food and wine pairing often revolve around a tried-and-true principle: "what grows together, goes together"—meaning that the food of a region often

pairs best with the wines of the same region. As a major agricultural producer, Virginia can spotlight its rich farming bounty as an attractive selling point. Collaboration between Virginia's meat, poultry, fish, seafood, and dairy industries alongside Virginia wines could define Virginia as a region that excels in producing top quality food and drink while at the same time making efficient use of funding and resources.

Potential Partners: Virginia Department of Agriculture & Consumer Services, Virginia Tourism Corporation

Funding Possibilities: Virginia Department of Agriculture & Consumer Services, Virginia Tourism Corporation

Industry Wide Branding #2: Anti-Alcohol Campaign Awareness

A 2023 World Health Organization (WHO) report stated that no level of alcohol consumption is considered safe, thus adding momentum to the already strengthening anti-alcohol lobby.

Goal: Educate the region's producers about the efforts sponsored by California wine and other alcohol industry groups to combat anti-alcohol messaging in the market and ensure Virginia has a seat at the table in these efforts.

Implementation & Impact: The temperance movement did not disappear with the repeal of prohibition and has in fact seen significant growth in recent years[10]. Anti-alcohol lobbyists are working hard to paint the alcohol industry as a different version of big tobacco. The California based Wine Institute has developed a campaign entitled "We Grow Wine", highlighting the more agricultural nature of wine as compared to other forms of alcohol and framing wine in the context of a healthy lifestyle. Other California based initiatives include the "Come Over October" campaign, which highlights the cultural and social importance of wine. Connecting these efforts with leadership of the Virginia Wineries Association and the Virginia Wine Board will be a strong first step in educating wineries in the state on how to combat this messaging in their individual

[10] "The Campaign to Remove Wine from Your Dinner Table", Wine Spectator, September 3rd, 2024

marketing efforts and further help them understand the way in which to successfully pitch their wines in the traded sector as well.

Potential Partners: Virginia Wine Coalition, Virginia Wine Marketing Office, Virginia Wineries Association

Funding Possibilities: Virginia Wine Board, Virginia Department of Agriculture & Consumer Services, Virginia Tourism Corporation, Private sector contributions

Business & Accounting #1: Financial Educational Resources

The challenges of business accounting in vineyard and winery management are unique and not covered by general business accounting resources, making bookkeeping a challenge. Even within agriculture, the nature of the wine trade creates a unique set of financial, accounting, and business challenges that often require specialist assistance to overcome.

Goal: Develop professionally prepared training material, including video instruction, which covers how to address vineyard and winery specific accounting challenges that are inadequately covered by existing resources and providers such as the Small Business Development Center. Topics may also include succession planning, and business disruption and disaster planning.

Implementation & Impact: Many respondents expressed confusion and difficulty in navigating the nuances of vineyard and winery accounting ranging from understanding the cost of goods to how to depreciate the costs of a grape vine and many other topics in between. By working with businesses to formulate a list of frequently asked questions and partnering with a professional accounting firm with specialized vineyard and winery accountants, accessible reference materials could be provided to all Virginia wineries. These materials will prove useful as they navigate state and federal tax and business accounting. Funding would be required to compile the materials and compensate the professionals engaged in the project, but the finished product would be made available publicly through the Virginia Wine Coalition or other trade organization.

Potential Partners: Virginia Wine Coalition, Central Virginia Small Business Development Center, Virginia Wineries Association, regional economic development partners

Funding Possibilities: Private sector contributions, Virginia Wine Board

Business & Accounting #2: Funding Resources

Many business owners and managers in the region's wine trade lack awareness of what financing options may be available to them. Cash flow and capital investments are two significant common constraints.

Goal: Work with agriculturally focused financial institutions, grant organizations, and government-backed programs to clarify what financing options are available to vineyard and winery owners.

Implementation & Impact: By meeting with agriculturally focused and community banks, along with other funding providers, the industry would be able to form a funding resource guide to help new and existing vineyard and winery owners. This will provide understanding of the financial challenges in establishing and operating a vineyard or winery as well as provide guidance on what funding resources and options might be available to help support business growth.

Potential Partners: Central Virginia Small Business Development Center
Funding Possibilities: Central Virginia Small Business Development Center

Outreach #1: Hidden Gems Wine Trail

Many smaller producers lack the staffing and resources to adequately market their wines in the traded sector or market their tasting room experiences, resulting in more exposure for larger wineries but additional challenges for smaller wineries.

Goal: Establish a "Hidden Gems Wine Trail" showcasing wineries producing fewer than 2,500 cases. This will provide a much-needed spotlight to the 58% of the region's wineries at this production level.

Implementation & Impact: Modeled after the currently active "Gold Medal Trail" which encourages visitation to Virginia wineries that have won gold medals at the annual Virginia Governor's Cup, the "Hidden Gems Wine Trail" will also take inspiration from the German Wine Institute's very successful Generation Riesling (GR) marketing platform[11]. The primary goal of this new trail will be to uplift smaller producers and connect them with visitors and members of the wine trade who are in the market for wines that they have yet to discover in person or in the traded sector. This can be accomplished by the creation of a comprehensive marketing and branding strategy, providing an online directory of these producers, composing talking points, and designing a social media marketing plan for qualifying wineries. Following the example of GR, logoed items such as hats, shirts, and stickers might also help generate excitement for this "off the beaten path" wine trail and provide materials to energize members of the trade who focus on these producers in target export markets.

Potential Partners: Virginia Wine Marketing Office, Virginia Wineries Association

Funding Possibilities: Virginia Tourism Corporation, Virginia Wine Marketing Office, Destination Marketing Office grants

Outreach #2: Connecting Wineries to Free or Low-Cost Branding Services Consultations

There are vineyards and wineries across the region that either because of budget constraints or lack of awareness, have areas of their business that need professional support. These areas include outdated branding and websites, and anemic social media marketing strategies. These shortcomings leave some of the region's wineries at a tremendous disadvantage in the competitive traded sector.

Goal: Arrange free or low-cost consultation sessions for the region's wineries with local businesses identified as leaders in wine focused label and packaging design, branding, marketing, and website development.

[11] www.generation-riesling.de/english

Implementation & Impact: Encouraging wineries to consider updating their branding/marketing while providing a barrier-free opportunity to solicit professional feedback on these matters will breathe new life into many of the region's wineries' marketing efforts. This will simultaneously aid in supporting growth in the traded sector as well as raising their business profile in the eyes of potential tasting room visitors. This could potentially be facilitated by providing support to existing organizations such as the Virginia Wineries Association, although this service should be offered regardless of membership in the association.

Potential Partners: Virginia Wine Coalition, Virginia Wineries Association

Funding Possibilities: Small Business Development Center, Private sector contributions

Outreach #3: Directory of Existing Resources

Many producers are unaware of resources currently available to them from a range of governmental and industry organizations. This is a major underutilization of already funded resources.

Goal: Curate, maintain, and actively market a comprehensive guide of available resources and programs that can serve vineyards and wineries in the region to scale up their businesses, and export wines to identified target markets.

Implementation & Impact: Creating a single online destination directing users to the needed category of resources is an inexpensive and straightforward way of increasing use of existing resources. The Virginia Wineries Association (VWA) has already made an admirable effort at this through their website, however there is room for improvement by building that out to include a broader range of information. Additionally, this resource should be marketed regularly to vineyards and wineries in the region to expand guide awareness, regardless of membership in the association.

Potential Partners: Virginia Wine Coalition, Virginia Wineries Association, Central Virginia Small Business Development Center

Funding Possibilities: Virginia Wineries Association

Outreach #4: Connecting Influencers to Governor's Cup Gold Medal Wines

Each year, the top 12 wines from the Virginia Governor's Cup are marketed around the state, country, and world, serving as the vinous flagship of Virginia. There are dozens of wines winning gold medals each year but not selected for the Case. Target markets can benefit from exposure to these wines.

Goal: Support Gold Medal winning wineries who can opt into a marketing program that will connect their wines with various influencers.

Implementation & Impact: To not cannibalize the marketing of the 12 Governor's Cup Case Wines, but to also shine light on Gold Medal winning wines, this program would connect the wines to food and travel influencers, rather than wine professionals as with the Case Wines. The impact of having these wines mentioned in print and online, would tourism, tasting room traffic, and the chances of restaurant diners and wine store shoppers asking about the region's wines in new and existing target markets. Leveraging assistance from Destination Management Organizations in the various localities and the Virginia Tourism Corporation could magnify these efforts.

Potential Partners: Virginia Tourism Corporation, Virginia Wine Marketing Office

Funding Possibilities: Virginia Wine Board, Virginia Wine Marketing Office, Virginia Tourism Corporation

PRIVATE SECTOR MATCH CONTRIBUTIONS

This project was supported by in-kind donation of expertise by several industry leaders including Terri Beirne of the California based Wine Institute, Jay Youmans of the Washington D.C. based Capital Wine School, Joy Ting of the Winemaker's Research Exchange, and Marybeth Williams of Williams Compliance. The total value of these contributions is $4,755.00

APPENDIX & ROLES OF ORGANIZATIONS

• **Central Virginia Partnership for Economic Development** – The Partnership represents Region 9 and works with the Virginia Economic Development Partnership to assist in business recruitment and site selection, workforce and talent; they are the fiscal agent for GO Virginia Region 9. The Coalition would work with the Partnership to continue the collaboration between and among the localities and the agencies that serve its businesses.

• **Central Virginia Small Business Development Center** – A government funded program that provides general business advice and assistance to small businesses. Their services include general counsel in business planning, financial management, marketing, technology, international trade, government contracting, and intellectual property The Coalition would utilize the services of the Small Business Development Center(s) representing the locality in which a winery was located, but in addition, utilize private sector and industry experts to assist wineries' business strength and move towards out of state sales.

• **Community Investment Collaborative** – The CIC is a non-profit that assists small businesses access to appropriate financial solutions and access to a comprehensive support system necessary for business success. The Coalition would collaborate with CIC to find specialized sources of funding for Coalition programming.

• **Comprehensive Economic Development Strategy** – (CEDS) A report from the U.S. Economic Development Administration, this "contribute to effective economic development in America's communities and regions through a place-based, regionally driven economic development planning process.

• **Destination Marketing Organizations** – DMOs are the local tourism organizations that work directly with Virginia Tourism Corporation and tourism related businesses. DMOs have access to funding and programs that assist with local and regional marketing and branding efforts. The Coalition would work with local, regional and statewide DMOs with Virginia Tourism Corporation and the Virginia Wine Marketing Board to extend the brand and messaging for Virginia wine.

• **Piedmont Virginia Community College** – Piedmont Virginia Community College (PVCC) is a nonresidential two-year institution of higher education that serves Central Virginia. It currently offers hands-on curriculum in viticulture and enology that provides valuable support to the regional wine

industry. The Coalition would collaborate with PVCC in the distribution of Virginia Wine Certificate program, the establishment of a speaker series, the creation of internship opportunities, and more.

• **Venture Central** – This organization collaborates with regional entrepreneurs and business support partners for the advancement of the entrepreneurial ecosystem in Central Virginia. The Coalition would collaborate with Venture Central, utilizing their ability to access capital and connect entrepreneurs to resources for funding and growth.

• **Virginia Career Works** – The VCW offers services for employers, those seeking employment and young adult services. The Coalition would collaborate with VCW to strengthen the wine industry workforce through internships and training.

• **Virginia Tourism Corporation** – The overriding goal of all VTC's activities is to "serve the broader interests of the economy of Virginia by supporting, maintaining and expanding the Commonwealth's domestic and international inbound tourism and motion picture production industries in order to increase visitor expenditures, tax revenues and employment". They provide tourism businesses with access to training and funding to promote these same goals. The Coalition would work with local Destination Marketing Organizations and wineries to access these sources of funding and support.

• **Virginia Vineyards Association** – A non-profit trade association that works on behalf of the Virginia grape growers in their membership. The Coalition will collaborate with the VVA on establishing a speaker series and researching scale-up barriers with Virginia's grape growers.

• **Virginia Wineries Association** – A non-profit trade association that works on behalf of vineyard and winery members throughout the Commonwealth. Organizers of the annual Virginia Governor's Cup Competition. The Coalition will collaborate with the VWA on establishing a speaker series, disseminating information about available resources, soliciting feedback from wineries about the challenges they experience in expanding in the traded sector, and providing active industry representation within the educational needs of Virginia wine.

• **Virginia Wine Board** – A Governor appointed board of vineyard, winery, and cidery professionals who oversee an annual budget of state funding to support a range of initiatives in the Virginia wine trade.

• **Virginia Wine Marketing Office** – The marketing arm of the Virginia Wine Board. Based in Richmond, this office oversees the generic marketing and branding of Virginia wines. It is anticipated that the coalition will work closely with this team.

• **Winemaker's Research Exchange** – A non-profit organization focused on supporting winemaking trials and research in Virginia, managed by a research enologist and board of directors. The coalition will work closely with the WRE to ensure continued support and dissemination of this research.

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