

PENNSYLVANIA WINE MARKETING AND RESEARCH PROGRAM
Minutes of the February 15, 2017 Board Meeting
PA Department of Agriculture, Room 309
Harrisburg, Pennsylvania

Public notice of the February 15, 2017 Pennsylvania Wine Marketing and Research Program Board meeting was given on February 9, 2017, as stipulated by the Sunshine Law.

CALL TO ORDER

Mario Mazza, Chairman, called the meeting to order at 10:16 a.m. Board members in attendance (in addition to Mr. Mazza) included Chris Dietz, David Hoffman, John Landis, Joanne Levensgood, Robert Mazza, Jonathan Patrono, Elwin Stewart, Jamie Williams and Karl Zimmerman. Also attending was Jennifer Eckinger, Pennsylvania Wine Association; Gregory O'Loughlin, SWELL, LLC; Michela Centinari, the Pennsylvania State University; Denise Gardner, Penn State Cooperative Extension; Diane Belles, Accountant for the Program; Brook Duer, Pennsylvania Department of Agriculture; Laura England, Pennsylvania Department of Agriculture; Patrick Andrews, Pennsylvania Department of Agriculture; and Jennifer D'Angelo attended and recorded the minutes. The following individuals from the Pennsylvania State University participated in a portion of the meeting via conference call: Ryan Elias, Bryan Hed, Jody Timer and Helene Hopfer. Josh Funk, counsel to the Senate Majority Whip John Gordner, attended a portion of the meeting.

WELCOME OF NEW BOARD MEMBERS

Mr. Mazza welcomed the new board members: Chris Dietz, Robert Mazza and Jamie Williams. Lela Reichart is unable to attend the meeting.

Mr. Duer introduced the official appointment records of Chris Dietz, Robert Mazza, Jamie Williams and Lela Reichart. New board members will follow the same terms and conditions as members appointed by the Secretary. Each new board member will serve a three-year term which will expire June 30, 2020. Mr. Duer provided the new board members with the law, the regulations and the current Program Order. There is not an official swearing-in procedure, but Mr. Duer will provide the new board members with specific information highlighting what the new members are subject to. This information will be communicated via email.

2016-2017 RESEARCH PROGRESS REPORTS AND STATUS

Progress reports and status updates were provided for the following projects:

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|---|----------|
| 1) The Mechanization of Early Leaf Removal for Enhanced Adoption into Bunch Rot Control Programs in Pennsylvania - Year 2
<i>Bryan Hed, The Pennsylvania State University</i> | \$8,000 |
| 2) Preventing Post-Bottling Reduction Aroma in PA Wines Using Immobilized Copper
<i>Ryan Elias, The Pennsylvania State University</i> | \$25,000 |
| 3) Evaluating a Seaweed Extract for Reducing Freeze Injury in Vineyards
<i>Michela Centinari, The Pennsylvania State University</i> | \$6,664 |
| 4) Yield Regulation in Wine Grapes: Effect on Vine Health, Fruit Composition, Wine Chemistry, and Economic Sustainability - Year 2
<i>Michela Centinari, The Pennsylvania State University</i> | \$14,026 |

2016-2017 MARKETING PROJECT UPDATE

Ms. Eckinger and Mr. O'Loughlin provided an update on the PA Wines Advertising Campaign.

2017-2018 RESEARCH, MARKETING AND EDUCATIONAL PROPOSALS

Proposals for research, marketing and education for 2017-2018 (April 1, 2017 – March 31, 2018) funding consideration were reviewed. The following proposals were considered:

The Pennsylvania State University - Research Proposals		
1) Does delaying bud burst reduce the risk of frost damage while maintaining grape and wine quality? Comparing the effectiveness of pruning time and Amigo oil application.	Michela Centinari	\$12,397
2) Defining the effects of meso- and microclimatic factors on rotundone accumulation in Noiret wine grapes	Michela Centinari	\$10,656
3) Effect of maceration parameters on white wine quality made from interspecific hybrid grapes (<i>Vitis</i> spp.)	Ryan Elias	\$22,581
4) The mechanization of early leaf removal for enhanced adoption into bunch rot control programs in Pennsylvania	Bryan Hed	\$12,706
5) Survey for Grapevine Leafroll Viruses in Pennsylvania	Bryan Hed	\$10,840
6) Analysis of invasive insect pests in the Lake Erie region to characterize abundance and seasonal emergence patterns	Jody Timer	\$4,854
7) Residual decline and efficacy of commonly used insecticides against spotted wing drosophila in Pennsylvania wine grapes	Jody Timer	\$6,786
8) The impact on chemical and sensory wine quality by two different frost avoidance strategies	Helene Hopfer	\$14,000
9) Sensory characterization of Riesling wines from different Pennsylvania regions with a trained panel and winemakers	Helene Hopfer	\$20,000
Educational Proposal		
10) 2017 Pennsylvania Wine Marketing and Research Board Symposium	Penn State Ext. and PWA	\$6,000
Marketing Proposal		
11) Pennsylvania Wine Land Marketing and Promotions	PWA and Swell	\$495,000
TOTAL		\$ 615,820.00

MINUTES

Minutes of the November 15, 2016 meeting were emailed to Board members for their review in advance of the meeting.

RESOLUTION 2017.01 – ACCEPTANCE OF NOVEMBER 15, 2016 MINUTES

Motion by: Karl Zimmerman

Seconded by: John Landis

Passed: Unanimously

To accept the minutes of the November 15, 2016 meeting.

FINANCIALS

Ms. Belles reviewed the financial reports for July 1, 2016 – June 30, 2017. Actual revenue to date is \$162,942.15, cash carryover from July 1, 2016 is \$202,892.12; grand total expenses are \$141,870.52; cash funds available as of February 9, 2017 is \$223,963.75.

RESOLUTION 2017.02 – ACCEPTANCE OF FINANCIAL REPORT

Motion by: Elwin Stewart

Seconded by: Jamie Williams

Passed: Unanimously

To accept the financial reports for July 1, 2016 – June 30, 2017.

AGREED UPON PROCEDURES REPORT

Board members reviewed the Agreed Upon Procedures Report for fiscal year ending June 30, 2016. The report was prepared by Garcia Garman & Shea, PC.

ASSESSMENT REPORTS

Mr. Andrews reviewed the Summary of Assessment Forms 2016 Year-To-Date. As of February 9, 2017, \$200,905.81 has been collected from Pennsylvania wineries. There were 347 licensed wineries, 151 licensed wineries with no sales assessments reported, 196 producers with sales assessments and the number of producers paid was 182.

Mr. Andrews then reviewed the Assessment Income Analysis by Quarter. In the first quarter of 2016, \$27,434.12 was received, \$32,708.30 was received in the second quarter, and \$50,584.83 was received in the third quarter, and \$90,178.56 was received so far in the fourth quarter, for a total of \$200,905.81 collected.

RESOLUTION 2017.03 – ACCEPTANCE OF ASSESSMENT REPORTS

Motion by: John Landis

Seconded by: David Hoffman

Passed: Unanimously

To accept the assessment reports presented by Mr. Andrews.

EDUCATIONAL PIECE BY SWELL, LLC

Mr. O'Loughlin provided the board with a draft of the educational piece that was discussed at the previous board meeting. The board provided suggestions regarding the document.

PWA

Ms. Eckinger reported on PWA activities:

- Website
- Campaign
- Social Media
- Collateral Materials – these materials appeared at the PA Farm Show
- PR
- Conference and Symposium

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Mr. Funk is counsel to the Senate Majority Whip John Gordner, but also serves as senior staff counsel for the Senate Republican Caucus. Mr. Funk confirmed that the intent of the legislation was that the new board members serve with the same conditions, responsibilities and duties as the other board members. The Program should work with the PLCB to make a formal request for the new funds.

Mr. Duer informed the board that the new funds will not come out of the wine shipper excise tax. These funds will come from the LCB's general revenues and will be completely handled by the Comptroller's Office. Further discussion needs to occur with LCB regarding the specifics.

2017-2018 FUNDING OF PROPOSALS

Board members discussed the proposals and agreed to fund all proposals submitted (two board members were opposed to funding proposal #9). The board will reach out to the grantees and request them to submit revisions based upon the suggestions of the board. The board will make final funding decisions at the March 15 meeting.

POTENTIAL MARKETING RFP

This topic has been tabled and will be added to the agenda for the March meeting.

WINERY ENFORCEMENT ISSUES

This topic has been tabled and will be added to the agenda for the March meeting.

NEXT BOARD MEETING

The next board meeting will be held on Wednesday, March 15, 2017 at the PA Department of Agriculture in Room 202 at 10:00 a.m. Future board meetings are scheduled for Tuesday, May 16; Tuesday, July 11; Tuesday, September 5 held via conference call; and Tuesday, November 14.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:17 p.m.

RESOLUTION 2017.04 – ADJOURNMENT

Motion by: Jamie Williams

Seconded by: Karl Zimmerman

Passed: Unanimously

Respectfully Submitted:



Laura England
March 10, 2017