

PENNSYLVANIA WINE MARKETING AND RESEARCH PROGRAM
Minutes of the March 13, 2012 Board Meeting
Farm Show Complex and Expo Center, Monongahela Room
Harrisburg, Pennsylvania

Public notice of the March 13, 2012 Pennsylvania Wine Marketing and Research Program Board meeting was given on February 27, 2012, as stipulated by the Sunshine Law.

CALL TO ORDER

Karl Zimmerman, Chairman, called the meeting to order at 10:10 a.m. Board members in attendance (in addition to Mr. Zimmerman) included Carl Helrich, John Landis, Joanne Levensgood and Douglas Moorhead. Lela Reichart attended, representing the Secretary of Agriculture. Also attending were David Baker, Comptroller's Office; Yimei (Annie) Lin, Comptroller's Office; Jennifer Eckinger, Pennsylvania Wine Association; Mark Chien, Wine Grape Educator, Penn State Cooperative Extension Office; Denise Gardner, Extension Enologist, Penn State Cooperative Extension Office; Ben Junkin, representing Executive Deputy Secretary Michael Pechart; Jessica Neel, Pennsylvania Department of Agriculture; Brian Clements, Pennsylvania Department of Agriculture and Jennifer Leshner, Pennsylvania Department of Agriculture, recorded the minutes.

MINUTES

Minutes of the January 17, 2012 meeting were mailed and emailed to Board members for their review in advance of the meeting.

RESOLUTION 2012.07 – ACCEPTANCE OF MINUTES

Motion by: Douglas Moorhead

Seconded by: John Landis

Passed: Unanimously

To accept the minutes of the January 17, 2012 meeting.

FINANCIAL REPORTS

Mr. Baker reviewed the financial reports for the period of July 1, 2011 to February 29, 2012, noting that as of February 29, 2012, Net Income was \$32,737.51, Total Equity was \$305,986.11.

A discussion took place among board members regarding a 50/50 split for line items under Shared Operational Expense Commitment Budget.

RESOLUTION 2012.08 – SHARED OPERATIONAL EXPENSE COMMITMENT BUDGET LINE ITEMS 50/50

Motion by: John Landis

Seconded by: Douglas Moorhead

Passed: Unanimously

All funding is to be split 50/50 between Marketing and Enology and Viticulture Research for all line items under Shared Operational Expense Commitment Budget.

Current line items to be split 50/50 under Shared Operational Expense Commitment Budget:
Viticulture Training – M. Chien, PSU Enologist Educator and HACC Education Program.

RESOLUTION 2012.09 – ACCEPTANCE OF FINANCIAL REPORTS

Motion by: Carl Helrich

Seconded by: Joanne Levensgood

Passed: Unanimously

To accept the financial reports as prepared by Mr. Baker.

ASSESSMENT REPORTS

Ms. Reichart reviewed the Summary of Assessment Forms 2011 Year-To-Date. As of March 6, 2012, \$129,213.15 has been collected from Pennsylvania wineries and \$1,790.28 has been collected from out of state wineries which gives a grand total of \$131,003.43. There were 198 licensed wineries, 49 licensed wineries with no sales assessments reported, 149 producers with sales assessments and the number of producers paid was 140. Ms. Reichart then reviewed the Assessment Income Analysis By Quarter. In the first quarter of 2011, \$4,778.45 was received, \$31,439.14 was received in the second quarter, \$27,610.42 was received in the third quarter, and \$65,385.14 was received in the fourth quarter. That is a total of \$129,213.15 collected and 900,283.53 gallons reported for 2011. 95.68% of what has been reported sales has been collected in assessment dollars. So far \$2,868.34 was collected in the first quarter of 2012.

RESOLUTION 2012.10 – ACCEPTANCE OF ASSESSMENT REPORTS

Motion by: Douglas Moorhead

Seconded by: Carl Helrich

Passed: Unanimously

To accept the assessment reports presented by Ms. Reichart.

Ms. Reichart informed the board that the letter and check should be sent by the end of the month to the out of state wineries that have paid into the program.

Ms. Reichart provided the board with an updated list of delinquent wineries, non-registered delinquent wineries and non-registered wineries. There are 26 non-registered wineries, one winery that is not registered and delinquent and one winery that is delinquent.

DELINQUENT WINERIES

The following wineries are not registered including one listed as delinquent and one listed as not registered and delinquent as of March 6, 2012:

- Buddy Boy Winery & Vineyard – *Delinquent*
- Northern Heritage Estate, Inc.
- John J. Ross
- Sand Hill Winery, LLC
- Patone Cellars, Inc.
- Enginehouse 25 Wines, LLC
- Stonehenge Winery and Vineyard
- Bovine Wines Incorporated
- Olio Ristorante, LLC
- This Life Forever, Inc.
- Northern Wine & Spirits, Inc.
- Wapiti Ridge Wine Cellars, Inc.
- Joe Perry's, Inc.
- J & D Cellars, LLC

- Jackson Square Vineyard, LLC
- Dustin Martin Porta/Porta Wines
- Douglas Mankovich/Shadow Vineyard
- Red Bandana Winery, LLC
- Kunde Enterprises
- Blue Marble Beverages, LLC
- Redemption Spirits, LLC
- Rebellion Ciderworks, LLC
- R. Wine Cellars LLC
- Pear Grove LLC
- The Enginehouse Winery LLC
- O'Donnell Winery LLC
- Joe & Kim Enterprises LLC
- Birdsong Winery, Inc. –*Delinquent and not registered*

PWA ACTIVITIES

Ms. Eckinger reported on PWA activities:

- Eastern Winery Exposition
- Annual Conference held on March 6
- Festivals
- PWA Website
- Legislative Update
- Economic Impact Report
- Crush

MARKETING

Ms. Eckinger informed the board on recent ideas from the Marketing Committee. The Committee discussed focusing on branding and rebranding wines, having a state grape as well as raising awareness of Pennsylvania wines.

RESEARCH

Mr. Helrich stated that the Research Committee is working with Bryan Hed from Penn State. The Research Committee has received a few proposals. Mr. Helrich provided board members with information from a proposal that was submitted by Penn State. Board members discussed the proposal.

RESOLUTION 2012.11 – PENN STATE PROPOSAL BY DR. FRED GILDOW

Motion by: John Landis

Seconded by: Doug Moorhead

Passed: Unanimously

To fund the project Evaluation of Vapor Gard on Wine Grapes in Pennsylvania submitted by The Pennsylvania State University in the amount of \$14,117.

Mr. Helrich also informed the board that there will be a PSU Research Summit held for the industry. Ms. Gardner stated that this will take place on May 23 and wine trail members are encouraged to attend.

OTHER BUSINESS

Ms. Reichart discussed the two proposals received for the new accounting services. A proposal was received from Jansen Associates with a monthly fee of \$415 and with additional or extended meetings, or other financial/accounting work would be billed at \$85 per hour. The other proposal was received from Dynamic Business Services with a monthly fee of \$536 and a \$1,400 one time initial retainer fee which would be shared among the Commodity Boards. Ms. Reichart distributed a memo from PDA's Legal Office as well as an email from the Comptroller's Office regarding the proposals received. The board is still required to have an annual audit. More discussion regarding these proposals will take place at the next board meeting.

Ms. Reichart informed the board members about wine being sold at Farmers Markets. A winery may have a stand at a farmers market and sell wine if the market has at least two qualified FMNP farmers. This information can be verified by going on PDA's website and accessing the list of PA FMNP participating Farm Markets.

NEXT BOARD MEETING

The next board meeting will be held on Tuesday, May 8, 2012 beginning at 10:00 a.m. at the Pennsylvania Department of Agriculture in Room 309. Future board meetings are scheduled for Tuesday, July 10, 2012; Tuesday, September 11, 2012 and Tuesday, November 13, 2012.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:10 p.m.

Respectfully Submitted:



Lela Reichart
March 16, 2012