

PENNSYLVANIA WINE MARKETING AND RESEARCH PROGRAM
Minutes of the January 17, 2012 Board Meeting
PA Department of Agriculture, Room 309
Harrisburg, Pennsylvania

Public notice of the January 17, 2012 Pennsylvania Wine Marketing and Research Program Board meeting was given on December 20, 2011, as stipulated by the Sunshine Law.

CALL TO ORDER

Karl Zimmerman, Chairman, called the meeting to order at 10:04 a.m. Board members in attendance (in addition to Mr. Zimmerman) included Carl Helrich, Bradley Knapp, John Kramb, John Landis, Joanne Levensgood, Sal Maiolatesi and Douglas Moorhead. Lela Reichart attended, representing the Secretary of Agriculture. Also attending were David Baker, 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; Neal Lewis, Lewis Barlett Klees, PC; Brook Duer, Pennsylvania Department of Agriculture; Ben Junkin, representing Executive Deputy Secretary Michael Pechart; Jessica Neel, Pennsylvania Department of Agriculture and Jennifer Leshner, Pennsylvania Department of Agriculture, recorded the minutes. Destiny Zeiders, House Ag Committee - Representative Petrarca attended a portion of the meeting.

MINUTES

Minutes of the November 16, 2011 meeting were mailed and emailed to Board members for their review in advance of the meeting.

RESOLUTION 2012.01 – ACCEPTANCE OF MINUTES

Motion by: John Landis
Seconded by: Douglas Moorhead
Passed: Unanimously
To accept the minutes of the November 16, 2011 meeting.

FINANCIAL REPORTS

Mr. Baker reviewed the financial reports for the period of July 1, 2011 to December 31, 2011, noting that as of December 31, 2011, Net Income was \$10,461.70, Total Equity was \$283,710.30.

RESOLUTION 2012.02 – ACCEPTANCE OF FINANCIAL REPORTS

Motion by: John Kramb
Seconded by: Bradley Knapp
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 January 10, 2012, \$109,449.75 has been collected from Pennsylvania wineries and \$1,535.12 has

been collected from out of state wineries which gives a grand total of \$110,984.87. There were 193 licensed wineries, 48 licensed wineries with no sales assessments reported, 145 producers with sales assessments and the number of producers paid was 131. 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 \$45,621.74 was received in the fourth quarter. That is a total of \$109,449.75 collected and 777,243.86 gallons reported for 2011. 93.88% of what has been reported sales has been collected in assessment dollars.

RESOLUTION 2012.03 – ACCEPTANCE OF ASSESSMENT REPORTS

Motion by: Bradley Knapp

Seconded by: Sal Maiolatesi

Passed: Unanimously

To accept the assessment reports presented by Ms. Reichart.

Ms. Reichart provided the board with an updated list of delinquent wineries and non-registered delinquent wineries. There are 30 non-registered wineries and one winery that is not registered and delinquent.

DELINQUENT WINERIES

The following wineries are not registered including one listed as delinquent as of January 9, 2012:

- 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.
- Maple Springs Winery
- Buddy Boy Winery & Vineyard
- Northern Wine & Spirits, Inc.
- Wapiti Ridge Wine Cellars, Inc.
- My Wines Direct, Inc.
- The Winetasting Network Cellars
- Crosswinds Winery, LLC
- Grove Acquisition, LLC – Grove Street Winery
- Girard Winery, LLC
- Joe Perry's, Inc.
- J & D Cellars, LLC
- Jackson Square Vineyard, LLC
- Dustin Martin Porta/Porta Wines
- The Vineyard at Hershey, LLC

- Douglas Mankovich/Shadow Vineyard
- Red Bandana Winery, LLC
- Kunde Enterprises
- Blue Marble Beverages, LLC
- Redemption Spirits, LLC
- Auburn Road Enterprises, LLC
- Rebellion Ciderworks, LLC
- Birdsong Winery, Inc.

RESOLUTION 2012.04 – ACCEPTANCE OF ASSESSMENT REPORTS

Motion by: Douglas Moorhead

Seconded by: Bradley Knapp

Passed: Unanimously

To accept the assessment reports presented by Ms. Reichart.

2011 AUDIT

Mr. Lewis discussed the 2011 audit and informed the board members that there were no issues found.

OUT OF STATE WINERIES

A discussion took place among board members and Mr. Duer regarding the money the program received from out of state wineries.

RESOLUTION 2012.05 – LETTER TO OUT OF STATE WINERY

Motion by: Bradley Knapp

Seconded by: John Kramb

Passed: Unanimously

To have a letter sent to the out of state wineries that paid the program. The letter shall state that any future contributions will be considered voluntary. Mr. Duer shall prepare the letter. Money which was already paid in by the out of state wineries will be reimbursed via a check enclosed with the letter.

PWA ACTIVITIES

Ms. Eckinger reported on PWA activities:

- Farm Show, Culinary Connection and Cork Sculpture
- Eastern Winery Exposition
- PA Winery Competition
- Legislative Update
- Annual Conference on March 6

MARKETING

Mr. Maiolatesi discussed the possibility of an application for smart phones which includes a QR Code.

Ms. Eckinger informed the board of changes to the PWA's website.

RESEARCH

Mr. Knapp stated that the Research Committee received three proposals which will need to be reviewed. A report from Mr. Hed was also received.

ECONOMIC IMPACT REPORT

Ms. Eckinger provided the board with two proposals for the Economic Impact Report. \$15,000 has already been approved for this line item.

SPECIALTY CROP BLOCK GRANT PROGRAM

Ms. Reichart informed the board of the upcoming deadlines for the Specialty Crop Block Grant Program. Concept proposals are due in February and full grant proposals are due in April. Project proposals may be submitted at a minimum of \$20,000 and for a project timeline of up to two years.

REQUEST FOR FUNDING – MARK CHIEN

Mr. Chien presented his request for funding for 2012. Project titles and requested amounts are as follows: Beginner Grape Growers Workshop – requested amount of \$1,000; Chardonnay Production Workshop – requested amount of \$1,000; Davis Weather Station and Grape Disease Models – requested amount of \$2,000; Viticulture Research Abstracts by Bibiana Guerra – requested amount of \$2,000; The Wine Grape Network Website Maintenance – requested amount of \$1,000; Professional Development Travel – requested amount of \$1,000. Total amount requested to fund the above projects is \$8,000.

The funds (\$8,000) for these projects shall be from the Uncommitted Marketing Funds line item. A new line item shall be created for this funding under Shared Operational Expense.

RESOLUTION 2012.06 – FUNDING FOR PROJECTS PROPOSED BY MARK CHIEN

Motion by: Carl Helrich

Seconded by: Douglas Moorhead

Passed: Unanimously

To fund Mr. Chien's projects of the Beginner Grape Growers Workshop, Chardonnay Production Workshop, Davis Weather Station and Grape Disease Models, Viticulture Research Abstracts by Bibiana Guerra, The Wine Grape Network Website Maintenance and Professional Development Travel for 2012 for a total amount of \$8,000.

OTHER BUSINESS

Ms. Reichart shared comments and questions from a winery regarding the program. This information was received during the referendum.

Ms. Reichart stated that the Department of Agriculture is in the process of gathering proposals for the new accounting services which is scheduled to take place on July 1, 2012.

NEXT BOARD MEETING

Future board meetings are scheduled for Tuesday, March 13, 2012; Tuesday, May 8, 2012; Tuesday, July 10, 2012; Tuesday, September 11, 2012 and Tuesday, November 13, 2012.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:19 p.m.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "Lela Reichart", with a long horizontal flourish extending to the right.

Lela Reichart
February 17, 2012