

# **Fiscal Year 2017-2018 Report**

## **North Carolina Wine and Grape Growers Council**

**Pursuant to G.S. 106-755.1**



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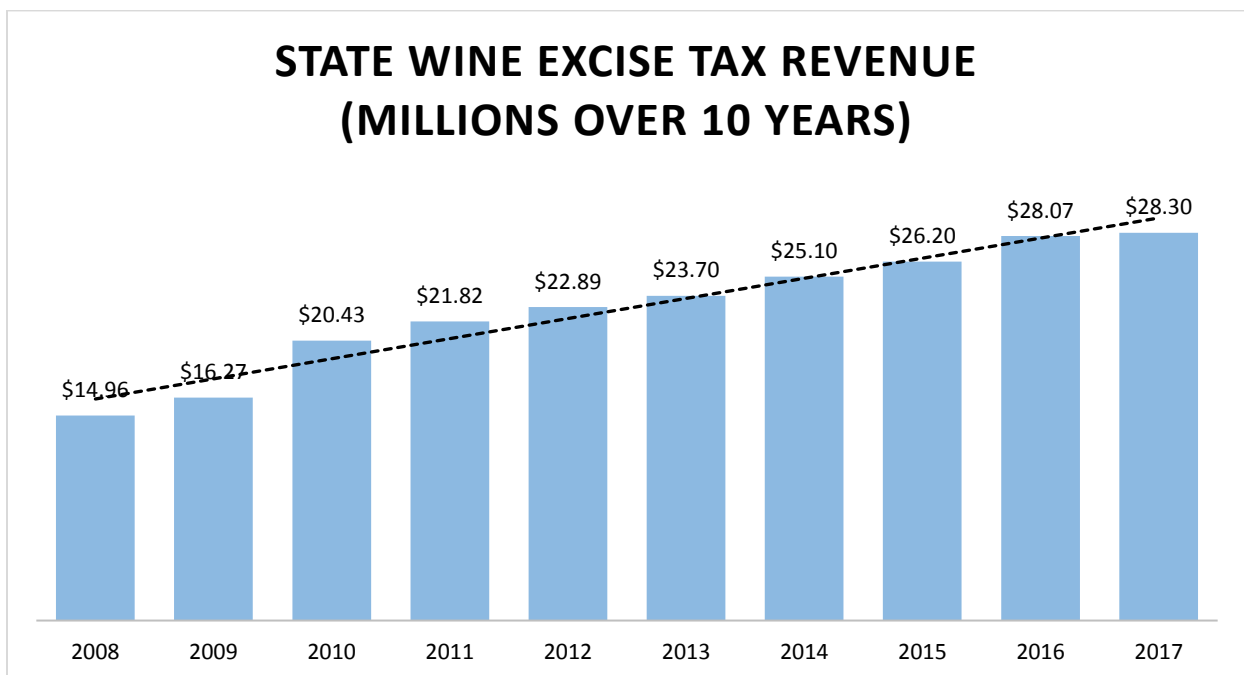
## NC WINE AND GRAPE INDUSTRY

From the mountains to the coast, North Carolina boasts a unique variety of grapes and wine. Ranking as a top destination for wine travelers and enthusiasts, visitors can enjoy more than 200 wineries and 525 vineyards.

The North Carolina wine and grape industry has experienced incredible growth in recent years, rising from just 21 wineries in 2000 to more than 200 today according to the NC ABC Board. Wineries are now located in 71 counties across the state, and North Carolina sees new wineries opening every year, adding nearly 60 since 2013. North Carolina ranks 10<sup>th</sup> in wine production and 10<sup>th</sup> in grape production nationally, per the USDA Non-Citrus Fruit and Nuts Report. The state is also home to the most-visited winery in the United States, Biltmore Estate Winery, and boasts the world's largest muscadine winery, Duplin Winery.

The North Carolina wine and grape industry accounts for an annual economic impact of more than \$1.97 billion and supports 10,296 jobs across the state, according to a 2016 report of industry data by Frank, Rimerman, + Co.

Wine excise tax collections in North Carolina also continue to rise annually. According to the North Carolina Beer and Wine Wholesalers Association, state excise tax revenue on wine grew to more than \$26.2 million in 2015, an increase of 4.41 percent from the previous year. The graph below shows the growth in NC wine excise taxes over the last 10 years – the trend line shows excise tax revenue from wine increasing by an average of \$1.6 million per year.



The North Carolina Wine and Grape Growers Council was established in 1986 to stimulate the growth of the wine and grape industry in North Carolina. North Carolina is the home of our nation's first cultivated

wine grape, and the industry has been revived from zero wineries in 1968 to 186 wineries today. This report encompasses work done during fiscal year 2017-2018 pursuant to G.S. 106-755.1.

With continued growth of wineries and vineyards in North Carolina, and the promising forecasts for wine sales and consumption, North Carolina must continue to focus on developing, growing, and promoting its industry to gain market share in the global wine market. The state expects to benefit from further investment and development of the North Carolina grape and wine industries.

## MISSION STATEMENT

The mission of the North Carolina Wine and Grape Growers Council is to facilitate development of the North Carolina grape and wine industries by enhancing product quality for consumers; encouraging economic viability and opportunity for growers and processors through education, marketing and research; and improving awareness of North Carolina wineries and wines, thereby generating more visitation and sales to increase tax revenue for the state.

## COUNCIL ADMINISTRATION

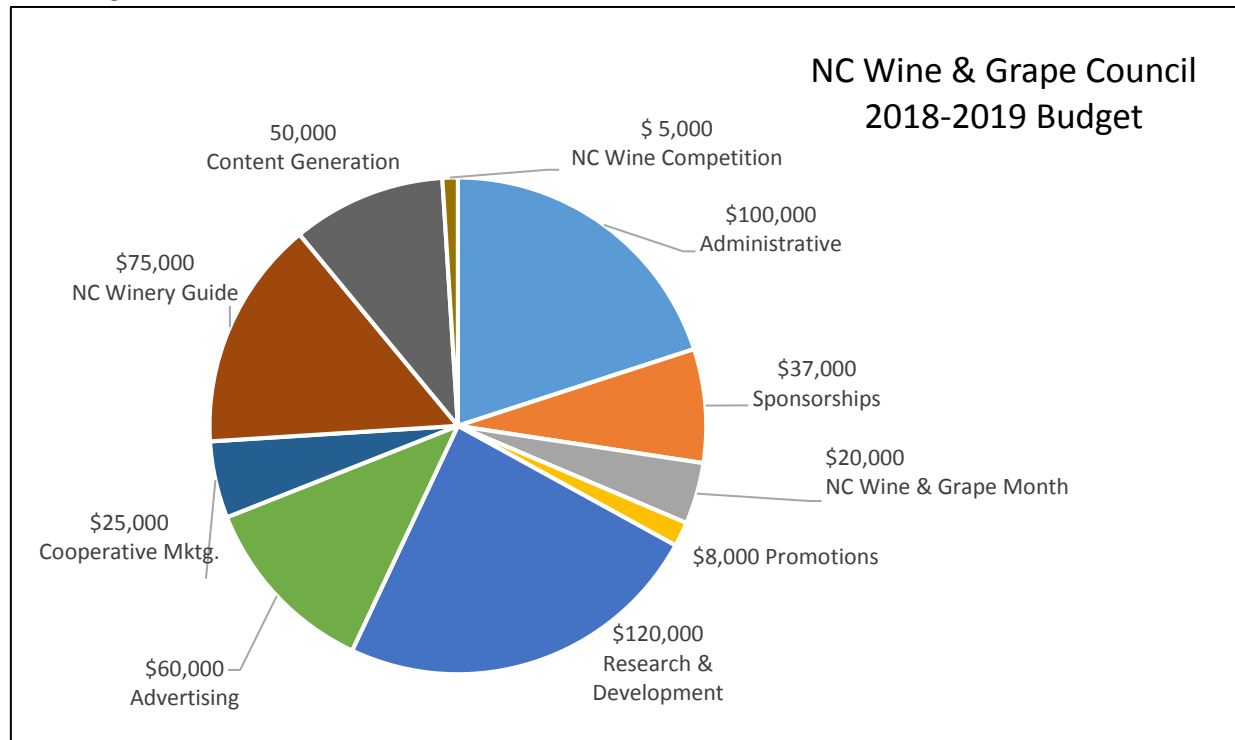
The North Carolina Wine and Grape Growers Council operates within the NC Department of Agriculture and Consumer Services (NCD&CS). The Commissioner of Agriculture appoints 10 members to serve as the Wine and Grape Growers Council; five members are appointed to represent the Vinifera group and five members represent the Muscadine group. The focus of the two groups is to promote the wine and grape industry in North Carolina. By partnering with existing programs within NCD&CS, the Council is able to capitalize upon existing knowledge and strategies, allowing it to address multiple industry needs.

The North Carolina Wine and Grape Growers Council consists of two advisory committees, with five industry members each. While the legislation outlines two separate committees, the Council voted to hold the Muscadine and Vinifera Advisory Committee meetings together and to work as a cohesive group. Each committee has an elected chairman, and they take turns conducting the meetings. The committee members are:

<b>Muscadine Committee Member:</b>	<b>Business:</b>	<b>Current Term:</b>
William Yost, Chair	Cauble Creek Vineyard	9/1/17 – 8/31/19
Mark Friszolowski	Childress Vineyards	9/1/18 – 8/31/20
Bill Hatcher	Duplin Winery	9/1/18 – 8/31/20
Denise Taylor-Bridgers	LuMil Vineyard	9/1/17 – 8/31/19
Tina Smith	Cypress Bend Vineyards	9/1/17 – 8/31/19

<b>Vinifera Committee Member:</b>	<b>Business:</b>	<b>Current Term:</b>
Chuck Johnson, Chair	Shadow Springs Vineyard	9/1/17 – 8/31/19
John Wright	Sanctuary Vineyards	9/1/18 – 8/31/20
Jerry Douglas	Biltmore Wine Company	9/1/18 – 8/31/20
Ethan Brown	Shelton Vineyards	9/1/18 – 8/31/20
Ian Taplin	Wake Forest University	9/1/17 – 8/31/19

The Council’s advisory committees met six times during the 2018-2019 fiscal year (though only mandated to meet twice per fiscal year) to develop and review plans and industry issues. The meetings were open to the public and included industry involvement and activities. The Council’s budget was \$500,000 via appropriation from the state’s general fund, including staffing for one full-time position. The Council distributed the allocation as outlined below, and activities for the year are detailed in the following sections.



## RESEARCH AND DEVELOPMENT

The Council assists viticulture and enology research across the state focused on improving the North Carolina wine and grape industry. The Council utilized \$120,000 to fund eight research and development projects during Fiscal Year 2018-2019 as follows:

### A Project to Revitalize The North Carolina Muscadine Grape Association

REQUESTING AGENCY – North Carolina Muscadine Grape Association

SUMMARY – The purpose of the project is to evaluate the NCMGA’s programs and services and revise where needed. This will be done with the use of a consultant who is experienced in this type of work. The NC Muscadine Grape Association has been in existence since 1973. It was formed by growers wanting to support the growing, marketing and promotion of Muscadine grapes. The grape industry in NC started and flourished with the native Muscadine. Today, the industry focus encompasses all grapes and their byproducts. The NCMGA needs to strengthen their position in the industry to adequately serve the Muscadine industry. Revitalization of the organization requires the evaluation of the current programs and services it offers its members. Setting priorities for improvements and building a sound infrastructure will set the NCMGA up for sustainability. Retaining the assistance of a consultant

specializing in agricultural organizations, publications and education to audit the programs, will help the board to identify and prioritize its needs.

EXPECTED OUTCOME – The NCMGA will be able to function more effectively as specified in its By-laws. Its officers and board members will become trained and more aware of their duties and responsibilities thru this self-examination process. The NCMGA will become a more effective association offering effective programs and services to advance the grape industry of NC

### **WiFi Equipment Rental & NC Wine Marketing Outreach NC Wine Bloggers Summit 2019**

REQUESTING AGENCY – Free Run LLC; DBA NC Wine Guys

SUMMARY – Media Event which brings together NC Wine Bloggers is requesting funding for rental equipment to supply Event WiFi to Bloggers during the meeting to perform live coverage to their supporters during the meeting increasing online presence of NC wine. 100,000 followers of the registered bloggers (75 wine influencers) will gain access to a live feed for information dissemination. Secure funding from sponsors to reduce ticket costs, allow greater participation, increase Social Media Presence of NC Wines.

EXPECTED OUTCOME – Group involvement of Wine Bloggers from Virginia, NC and South Carolina to post important NC wine information and to encourage continued postings throughout the year.

### **Student Sponsorships**

REQUESTING AGENCY – NC Winegrowers Association

SUMMARY – The objective is to provide career-minded students with an affordable means of attending North Carolina's largest gathering of industry professionals. Sponsored admission for students is a means of support to the Educational Institutions (North Carolina State University, Appalachian State University, Surry County Community College and Fayetteville Technical Community College) that provide higher education in the wine industry in NC.

EXPECTED OUTCOME – Create a career pathway for future employees of the NC grape and wine industry.

### **Interactive Workshops/Seminars**

REQUESTING AGENCY – The NC Winegrowers Association

SUMMARY – The NC Winegrowers Association is proposing to offer four workshops/seminars:

- Vineyard Workshop
- Legal Compliance Workshop
- Harvest Workshop
- Tasting Room Marketing Workshop

EXPECTED OUTCOME – To enhance the capabilities of industry members by providing professional educational opportunities that enhance fruit and wine quality and sell more wine. Information is provided in classroom style through an interactive process.

### **Quality Alliance Program (QAP)**

REQUESTING AGENCY - Surry Community College

SUMMARY – NC wineries will be able to submit monthly wine samples to Surry Com College for analysis to determine the presence or absence of faults. Wines that are submitted will undergo lab analysis. If a sample passes the quality lab panel, the sample will be submitted and analyzed by a trained sensory panel. Annual Membership fees are assessed in order to participate in program. Three different cost levels with varying benefits offered.

EXPECTED OUTCOME – Ensure the commercial viability of NC wines by providing a voluntary, objective screening system to establish standards of consistency and quality for commercial viability of NC wines,

with the short term goal of increasing the quality of NC wines by improving the quality of NC Wine through analysis and marketing the value of the QAP program.

### **Monitoring Seasonal and Emerging Insect Pests in NC Grapes**

REQUESTING AGENCY – North Carolina State University

SUMMARY – Three Objectives: 1) Determine seasonal biology of three-cornered alfalfa hopper, the vector grape red blotch-associated virus in NC Grapes. 2) Determine presence & abundance of grape berry moth in NC grapes. 3) Establish a preventative mentoring program for spotted lanternfly in NC grapes. Grapevine red-blotch associated virus (GRBaV) is an emerging disease which delays fruit ripening & reduces quality and yield. It has recently been detected in NC. However, no information exists about the seasonal biology of the three-cornered alfalfa hopper. It is present in NC and understanding its dynamics in grapes is the first essential step to develop management for GRBaV in NC. The grape berry moth needs to be surveyed to determine the threat to NC Muscadine Grapes & Spotted lanternfly will likely extend into NC from Virginia in a few years. Survey all insects at a total of eight locations distributed throughout NC. Conducting a statewide survey will provide the most useful information on alfalfa hopper and grape berry moth as well as a survey focused on vineyards close to the Virginia border to provide useful information for spotted lanternfly detection.

EXPECTED OUTCOME – Weekly Scouting Reports on the NCSU grape portal and NCSU entomology portal to allow growers beyond the ones they are directly collaborating with to incorporate pest scouting data into their management plans. All information will be disseminated throughout the industry.

### **Educational Sessions on Bunch Grape and Muscadine Production in NC**

REQUESTING AGENCY – North Carolina State University

SUMMARY – Based on a 2017 NCWGC project to develop viticulture extension teams in NC this project further develops the long-term goals of the two teams that were formed for Eastern & Western NC. Continuous engagement and leadership are necessary to continue to develop county-based capacities and extramural funded programs to address industry needs. This is the second phase. It will develop local knowledge base and lead to fundable team aims. Through this collaboration of scientists, growers and industry stakeholders, knowledge and information is being disseminated throughout the industry. This will address the industry needs and help the NCSU extension faculty meet those needs.

EXPECTED OUTCOME – Build extension teams, develop prioritized industry needs list, deliver training to the teams, collaborate with stakeholders establishing grape extension teams will lead to local leadership in the rising grape industry to help support the industry needs.

### **North Carolina's Wine and Grape Summit**

REQUESTING AGENCY – UNC Greensboro, Bryan School of Business & Economics

SUMMARY – To assist the NCWGC logistically with their annual one-day conference titled "NC Wine Summit". The UNCG Center for Industry Research and Engagement in the Bryan School of Business proposes to serve as the event organizers and day of event managers.

EXPECTED OUTCOME – UNCG Center for Industry Research and Engagement will be responsible for all marketing, program development, signage, staffing for registration and cleanup and general logistics for the event.

### **Optimization of Soil and Fertilizer Management in 'Carlos' and 'Merlot'**

REQUESTING AGENCY – North Carolina State University

A project to establish data regarding recommendations for sustainable soil and fertilizer management practices in the Southeast. This impacts vine health, yield quality and total yields. Limited knowledge currently exists for vineyards in Southeast. Muscadine knowledge is mostly anecdotal and vinifera

knowledge is based on other wine regions. Proposed project is part of the first year of a three PhD project in collaboration with Surry Community College. Fertilization and soil management impact vine health, yield quality and total yields. There is a need to establish an optimal soil management strategy for beneficial long-term effects in the vineyards.

- 1) Proposal contains background information and previous recommendations supporting the need to conduct new data sampling. Investigate the impact of different fertilizer management practices on vine health, yield and berry composition in *Vitis rotundifolia* “Carlos”.
- 2) Investigate the impact of organic soil amendments on vine health yield and berry composition in *Vitis vinifera* “Merlot”.

Materials and methods are detailed in the proposal

EXPECTED OUTCOME – The proposed study will harvest results which will help make recommendations on optimal fertilization of mature Muscadine vineyards. Furthermore, results will help recommend soil management methods for vinifera style vineyards. The expected results will be used as seed to apply for Federal funding on multi state grape soil and fertilizer management projects in 2019/20.

## MARKETING AND EDUCATION

The Council promotes the North Carolina wine and grape industry with multifaceted marketing, public relations and education programs. Upon the completion of each project, these programs were evaluated to identify opportunities for improvement so adjustments could be implemented for their continued success.

### Got to Be NC Wine



The North Carolina wine and grape industry continues to be included in the promotion of Got to Be NC products, the official marketing program for NCDA&CS. For the promotion of the Got to Be NC marketing campaign, the logos above are registered with the NC Department of the Secretary of State Trademarks Section. NCDA&CS promotes NC wine through programs such as Flavors of Carolina and the Got to Be NC Festival. The Got to Be NC marketing program has become a symbol of quality products grown, raised, caught or made right here in North Carolina.

### Advertising, Public Relations and Social Media



Strategies utilized this fiscal year include an integrated mix of advertising and public relations activities to promote wine and grape sales, as well as wine tourism. This included increasing awareness of the industry, interest in NC wines and visitation to wineries and wine growing regions of the state. Advertising was placed with local and regional media including UNC-TV, North Carolina Public Radio, and digitally through Pandora Radio and the Weather Channel app, and many others.

Two years ago, the NC Wine and Grape Council was the lead sponsor on a new series being developed for UNC-TV, *From the Vineyard in North Carolina*. This show was wildly successful and achieved exactly what we had hoped, more people statewide were finding out about the wineries near them and going to visit their tasting rooms. The series can be found archived on the UNC-TV website at: <http://video.unctv.org/show/vineyard>. Due to the success of this series, the Council decided to support the program once again. The second season features a slightly different format because it has merged with the popular long running series *Flavor NC*. This new season of *Flavor NC Presents: From the Vineyard in North Carolina* is still in production and will begin airing in January 2018. This series will be viewable across all UNC-TV platforms and archived on their website.

The Council also worked with various media outlets across the state to produce quality stories and editorials about the NC wine and grape industry. Whenever a story is being written or produced about the NC wine and grape industry, the Council contributes to the journalistic efforts by providing information, facts and resources to better promote the industry. Official press releases were also issued for activities of statewide interest.

Social media has been an increasingly useful tool to connect with consumers and promote the industry on platforms such as Facebook, Twitter and Instagram. The Council educates the public, collects feedback and discusses ideas with wine lovers around the world. Followers continue to grow each year and statistics as of August 1, 2017, are as follows:

Facebook: 13,431 Likes

Twitter: 5,451 Followers

Instagram: 2,773 Followers

## Websites

The Council operates both a consumer-focused site and an industry focused site for the North Carolina wine and grape industry.

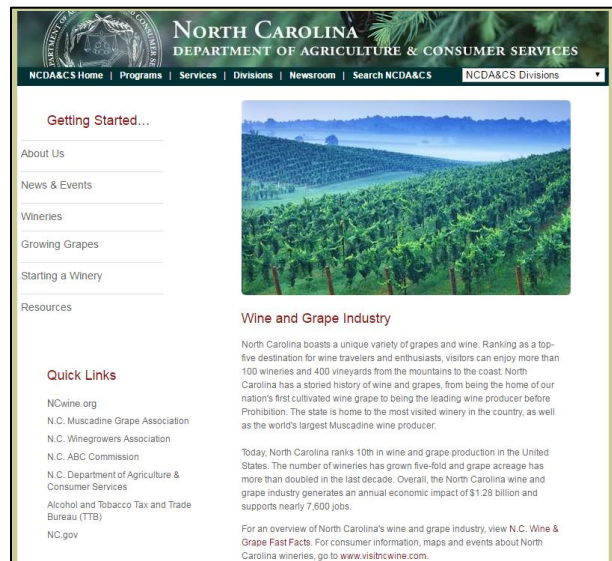
The consumer-focused website, [www.ncwine.org](http://www.ncwine.org), offers information ranging from tasting tips and information about the NC wine industry to an interactive winery map and list of statewide wine related events. This site is included in all Council marketing and advertising efforts. The Council aligned with a Charlotte-based agency to redesign the site for optimum consumer performance and enhanced capability. With a new streamlined structure and increased content, the site will be better suited to support the needs of the consumer. The newly redesigned website continues to feature all wineries across the state.

The newly redesigned consumer site also features information from the industry site, giving the industry and the public one cohesive source for all their informational needs. The site also features a media page to serve the dual purpose of providing a quick and comprehensive resource for any media outlets seeking information and a page to highlight stories about the industry.

The Council also hosts an industry focused website, [www.ncagr.gov/markets/ncwine](http://www.ncagr.gov/markets/ncwine), filled with a wide range of information to ensure that the North Carolina wine industry continues to be successful and grow. This site holds marketing information, grape growing tips, industry resources, guides to follow to establish a new winery, and contact information for all permitting offices wineries will need to ensure compliance with state and federal laws.



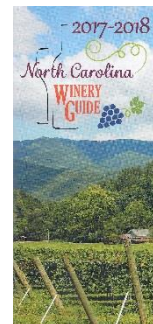
Consumer Site – [www.ncwine.org](http://www.ncwine.org)



Industry Site – [www.ncagr.gov/markets/ncwine](http://www.ncagr.gov/markets/ncwine)

## NC Winery Guide

The Council produces the *North Carolina Winery Guide*, the only statewide guide and map of North Carolina wineries in print. The guide was updated in 2019 and includes new wineries, regional maps, breakouts on grape varieties, and history of the industry. Winery Guides distributed to travelers, tourism authorities, welcome centers, wineries and retail locations across the state, nation, and world. The NCD&CS has partnered with the NC Department of Commerce’s call center to maintain a constant distribution source. The call center distributes guides every month across the US and Canada. Industry members and organizations utilize the brochure to proudly market the state’s wineries.



## Organizational Meetings

The Council was involved and worked cooperatively with local grape and wine organizations, including the North Carolina Winegrowers Association and the North Carolina Muscadine Grape Association. This

included multiple seminars and workshops across the state for wineries, grape growers, winemakers, affiliated businesses and industry newcomers.



The Council also was involved with national organizations including WineAmerica and the Wine Institute. These organizations regularly shared industry information, research, issues, activities and opportunities with the Council.



### **Wine Festivals**

Wine festivals in North Carolina have grown from one event in 2000 to more than 30 festivals today. From Asheville to Morehead City, festivals featuring North Carolina wines attract more than 100,000 visitors annually. The Council distributes the *North Carolina Winery Guide* at many of these festivals. Council members also regularly assist with festival planning to help guide their direction to include wine education and the promotion of North Carolina wines.



### **North Carolina Wine Competition**

The Council hosts and conducts the annual North Carolina Wine Competition. The competition includes amateur and commercial divisions from across the state. In 2019 there were 268 commercial wine entries and 66 amateur wine entries. Awards from the competition attract local and national recognition as well as media attention for North Carolina Wineries. The Council also displays the competition winners in the Education Building at the annual NC State Fair.



### NC State Fair

The Council has hosted the Got to Be NC Wine Tasting Area at the NC State Fair since 2013. Each year, the attraction has seen an increase in attendance. Beginning in 2014, the NC Brewers Guild has been invited to participate in these tasting activities. At the 2018 NC State Fair, the Got to Be NC Wine Tasting Area hosted three wineries participating each day.



# NC Wine & Beer Tasting Area

**2pm - 8pm Everyday**



### North Carolina Wine and Grape Month

September is North Carolina Wine and Grape Month, recognizing the importance of the wine and grape industry to the state and encouraging the support of local wine. Restaurants and retailers were urged to help the industry by promoting North Carolina wines. Additional special events included harvest festivals and Grape Day at the State Farmers Market. In 2018, the Council increased the promotion of this recognition through targeted advertising, a cohesive digital marketing package, and point of sale materials for the wineries to host their own promotions throughout the month.

One of the promotions the Council engages in during NC Wine and Grape Month is a retail focused sales promotion. The Council works with multiple retail chains statewide to coordinate in-store specials and advertising during September. The image to the right shows the graphic used on the shelf tag at several of the participating retail chains including Food Lion, Harris Teeter, Lowes Foods and Publix.



Each September the Council hosts Grape Day at the State Farmers Market in Raleigh. Fresh market grape varieties are highlighted during the event. The Muscadine grape is the predominant category of fresh market grape in North Carolina and is readily available throughout the state.



## CONCLUSION

The NC Wine and Grape Growers Council works diligently to continue advancing their goal of growing the industry they serve in size and quality. The Council raises the bar for the NC wine and grape industry using the allocated funds effectively, engaging in the projects that will have the greatest impact for the growers and producers of North Carolina, and educating the consumer on the value of choosing local products, year after year.

Next year, the Council will continue with some of the more effective projects they have completed in the past and continue to explore new opportunities for the growth of the wine and grape industry in North Carolina.