

Fiscal Year 2022 – 2023 Report

North Carolina Wine and Grape Growers Council

Pursuant to G.S. 106-755.1



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NC WINE AND GRAPE INDUSTRY

Though every state in the country makes wine, North Carolina is by far the most diverse when it comes to grapes grown and styles produced. North Carolina's terroir ranks the state as a top destination for quality wine production. Investors, wine travelers, enthusiasts, and visitors can enjoy more than 187 wineries and 525 vineyards. In North Carolina, there is a wine for every palate.

According to the NC ABC Board, the North Carolina wine and grape industry experiences strong growth every year, rising from just 21 wineries in 2000 to more than 200 before 2020. Wineries are now located in 71 counties across the state. North Carolina has new wineries opening every year, adding 8 in 2020 alone. North Carolina's affordable grapevine land is attractive to new wine companies and investors. North Carolina ranks 9th in annual wine production and 11th in grape production nationally, per the 2018 industry data by Frank, Rimerman + Co. 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.

According to WineAmerica's 2022 Economic Impact Report, the North Carolina wine and grape industry accounts for an annual economic impact of more than \$6.1 billion and supports 44,937 jobs across the state. \$1.95 billion was paid in annual wages.

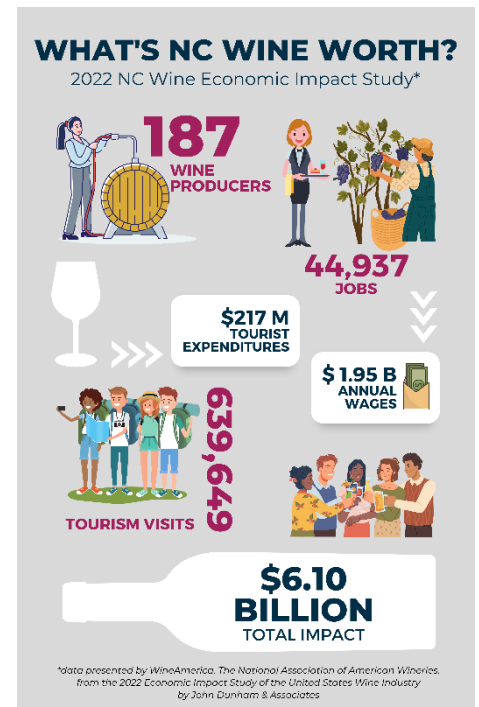
Federal and state tax collections from wine in North Carolina continue to rise annually. A total of \$348.07 million in taxes were paid in 2022 of which \$245.57 million were federal and \$102.50 million were state and local taxes. (WineAmerica 2022 Economic Impact Report)

The North Carolina Wine and Grape 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 187 wineries today. This report encompasses work done during the fiscal year 2022-2023 pursuant to G.S. 106-755.1.

With the continued growth of wineries and vineyards in North Carolina and the promising forecasts for wine sales and US 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 wine and grape industries.

MISSION STATEMENT

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

The current Council members are listed by committee below.

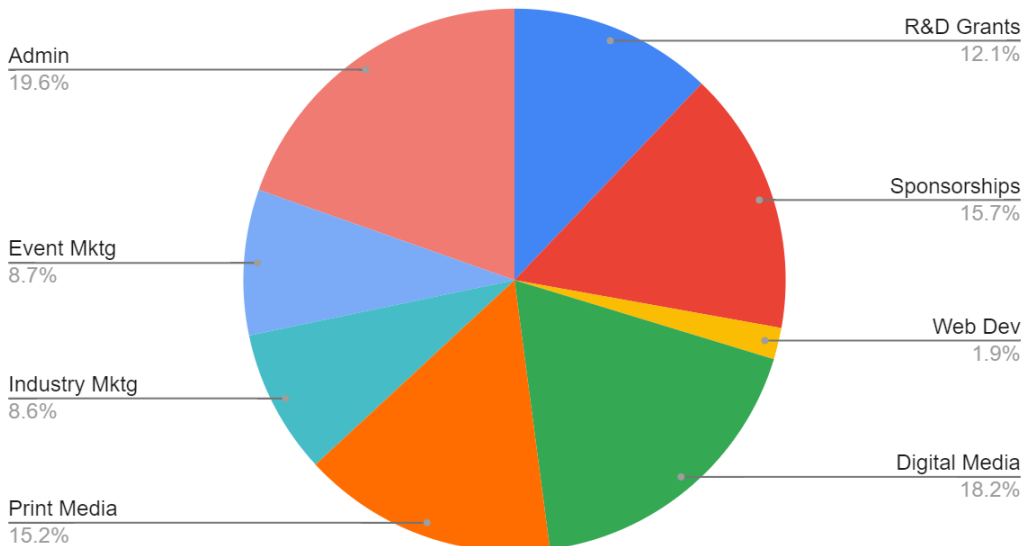
| Muscadine Committee Member: | Business: | Current Term: |
|------------------------------------|------------------------------------|----------------------|
| Chuck Johnson, Chair | Shadow Springs/Windsor Run Cellars | 9/1/22 - 8/31/24 |
| Daryl Locklear | Locklear Vineyards | 9/1/22 - 8/31/24 |
| Martin Crompton | Union Grove Farm | 9/1/22 - 8/31/24 |
| Ron Taylor | LuMil Vineyard | 9/1/21 - 8/31/23 |
| David Myrick | Myrick Vineyards | 9/1/21 - 8/31/23 |

| Vinifera Committee Member: | Business: | Current Term: |
|-----------------------------------|-----------------------|----------------------|
| Hailey Klepcyk | Nomad Wine Works | 9/1/22 - 8/31/24 |
| Amy Helton | Hanover Park Vineyard | 9/1/21 - 8/31/23 |
| Amanda Houser | Shelton Vineyards | 9/1/22 - 8/31/24 |
| Thomas Salley | Wilkes County Tourism | 9/1/21 - 8/31/23 |
| Diana Jones | Jones von Drehle | 9/1/21 - 8/31/23 |

The Council met 6 times in person and 5 times virtually during the 2022-2023 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 will continue to meet every month to better serve the industry and the Council's activities. The Council's budget is \$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.

NC Wine & Grape Council 2022-2023 Budget



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 \$144,929 to fund research and development projects during the 2022-2023 calendar year.

North Carolina State University – Continuing the NCSU Viticulture Research and Extension Program (\$29,829)
NC Winegrower’s Association – Student Sponsorship to the NCWGA Annual Conference (\$15,000)
NC Winegrower’s Association – Research Collective (\$15,000)
NC Winegrower’s Association – Workshop Series (\$20,000)
NC Winegrower’s Association – “Taste of NC” Sponsorship (\$50,000)
CLINNEAM LCC – The Story of NC’s AVAs Video Project (\$5,000)
NC Wine Guys – “Cork Talk” and “Digital Media Summit 2023” Sponsorships (\$8,600)
Surry Community College’s Southeastern Wine and Grape Symposium Sponsorship (\$1,500)

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 new logos below 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, the Got to Be NC Festival, and the NC Mountain and Raleigh State Fairs. 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 Our State Magazine, various print media outlets statewide (Field and Family, Good Housekeeping, Real Simple), and digitally through a national mobile advertising network (WRAL Digital Media).

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, including the 2023 NC Wine Competition and NC Wine Month in May.

Social media has been an increasingly useful tool to connect with consumers and promote the industry on platforms such as Instagram, Facebook, and Twitter. The Council educates the public, collects feedback, and discusses ideas with wine lovers around the world. We gain new followers every month. Through a contract with Tabletop Media Group starting in February 2023, our followers and reach have boomed adding more than 100 followers each month.

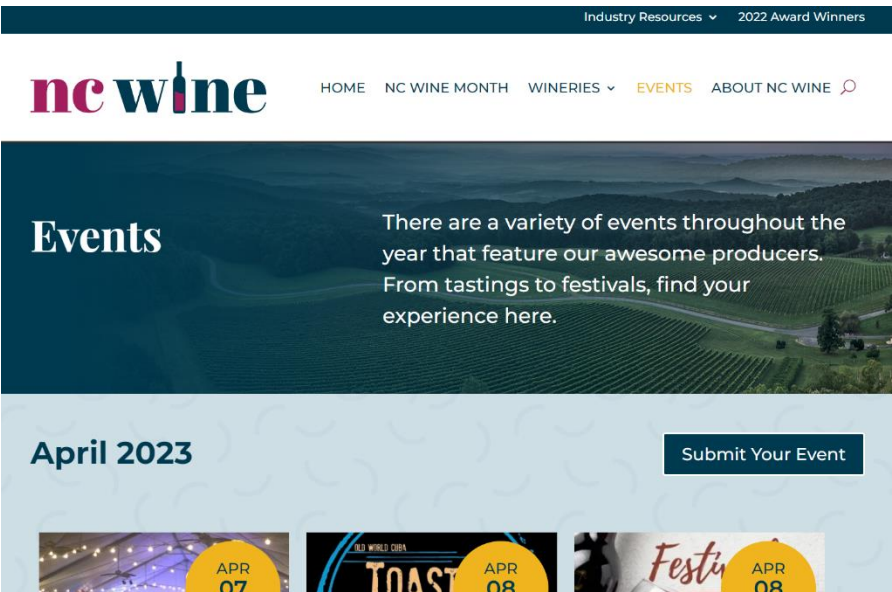
| | |
|-----------------------------|-------------------|
| Instagram: 7,774 (Aug 2022) | 8,198 (Aug 2023) |
| Facebook: 13,700 (Aug 2022) | 15,800 (Aug 2023) |
| Twitter: 5,313 (Aug 2022) | |

Website

With a new streamlined structure and increased content, the website is better suited to support the needs of the consumer. The newly redesigned website continues to feature all wineries across the state. The website, www.ncwine.org, offers information ranging from tasting tips and information about wineries to an interactive winery map and a list of statewide wine-related events. This website is included in all Council marketing and advertising efforts.

In addition, the website adds the ability to capture consumer e-mails for e-mail marketing. Other developments include an easy-to-use event posting for wineries to submit their events. This has created an important opportunity to drive consumers to the www.ncwine.org website and push those consumers back to the wineries’ websites. Creating linkbacks and attaching websites through clicks uses Google’s algorithm to boost companies to the top of a search list and makes them more searchable overall.

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 industry-focused website is www.ncwine.org/industry-resources, which offers resources and information aimed at helping wineries grow and improve their product quality in North Carolina.

NC Winery Promotional Materials
Instead of a printed NC winery guide, a rack card will be printed to be displayed in tourism offices, welcome centers, wineries, retail locations, restaurants, and hotels across the state. Rack cards will give brief information about our wine industry with a QR code. This QR

code will lead to a Google map to show all the wineries in the state and a QR code to download the NC Wine App. Wineries are color-coded to show wine trails and to give the consumer a better idea of the scope of

wineries and their locations. The future goal of the Council to combine aspects from the rack card and the websites for a fully comprehensive and intuitive app for NC Wine has been realized. We launched the NC Wine App on June 19, 2023, with 250 downloads as of August 24, 2023. The Council has also approved the production of a pocket map. One side will have a map of all the producers in North Carolina and the other will have information about the wine and grape industry.



Organizational Meetings

The Council was involved and worked cooperatively with local wine and grape organizations, including the North Carolina Winegrower's 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 was involved with national organizations including WineAmerica and 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 35 festivals today. From Asheville to Morehead City, festivals featuring North Carolina wines attract more than 150,000 visitors annually. The Council promotes these festivals on different marketing channels to increase visibility and attendance. Council members regularly assist with festival planning to help guide their direction to include wine education and the promotion of NC wine.

North Carolina Wine Competition

The Council hosts and conducts the annual North Carolina Wine Competition. The competition includes commercial wineries and amateur winemakers from across the state. In 2022, there were 217 commercial wine entries and 23 amateur wine entries. Awards from the competition attract local and national recognition as well as media attention for North Carolina wineries.



North Carolina Wine Month and North Carolina Grape Month

Historically, September has been North Carolina Wine & Grape Month. However, to allow winemakers, who are often busy with harvest in September, to become more involved in the NC Wine Month promotion, the Council decided that May was more suitable. Given that the grape harvest typically begins in August, August was selected to be NC Grape Month. These celebratory months were created to recognize the importance of the wine and grape industry to the state and encourage the support of local wine. In August 2022, we hosted our first Muscadine Wine and Food Experience at Triangle Wine Co in Cary. We had 30 attendees.



Our winery contributors were Duplin Winery, Hinnant Family Winery and Vineyards, and Cypress Bend Vineyard.

Restaurants and retailers are urged to help the industry by promoting North Carolina wines through additional special events, including harvest festivals and Grape Day at the State Farmers Market. NC Wine Month and NC Grape Month were promoted through targeted social advertising, a cohesive digital marketing package, and printed materials. In May 2023, we added billboards across the state and a Spectrum Reach television commercial to drive traffic.

CONCLUSION

The North Carolina Wine and Grape Council works diligently to continue advancing its goal of growing the industry it serves in size and quality. The Council raises the bar for the North Carolina wine and grape industry using allocated funds effectively, engaging in the projects that will have the greatest impact on 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 the most 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. In 2023-2024, the Council expects to continue updating and adding to ncwine.org for an effective website and growing our NC Wine app for consumers. Marketing dollars will be heavily focused on digital, omnichannel experiences, and strategic ad placements. The research and development advancement program will focus on working to get more investment and expertise to growers and makers in North Carolina and increased funding to projects boosting product quality.