

Fiscal Year 2023 – 2024 Report

North Carolina Wine and Grape Growers Council

Pursuant to G.S. 106-755.1



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NC WINE AND GRAPE INDUSTRY

North Carolina's wine, cider, and mead industry is diverse and expanding. The number of grapes grown, and the styles of wine, cider, and mead produced well exceeds most other states in the country. North Carolina's terroir ranks as a top destination for quality wine production. Investors, wine travelers, enthusiasts, and visitors can enjoy more than 190 producers. In North Carolina, there is a wine, cider, or mead for every palate.

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. Over the years, the council's objectives have changed with the times now including all fermented beverages from fruit or honey. 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 190 wineries today. This report encompasses work done during the fiscal year 2023-2024 pursuant to G.S. 106-755.1.

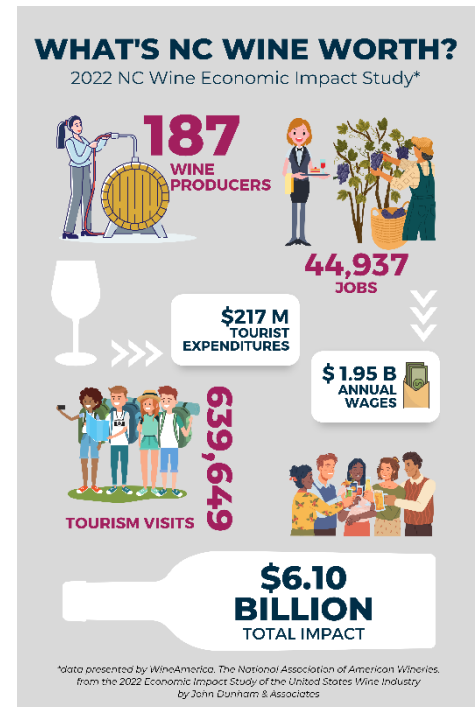
With the continued growth of producers, vineyards, orchards, apiaries, and investment in North Carolina, the industry is optimistic amidst a difficult economic climate. Despite unfavorable forecasts for alcohol sales and US consumption specifically in the grape wine category, North Carolina must continue 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 North Carolina wine and grape industries due to low land prices, early niche market, and innovative product creation.

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

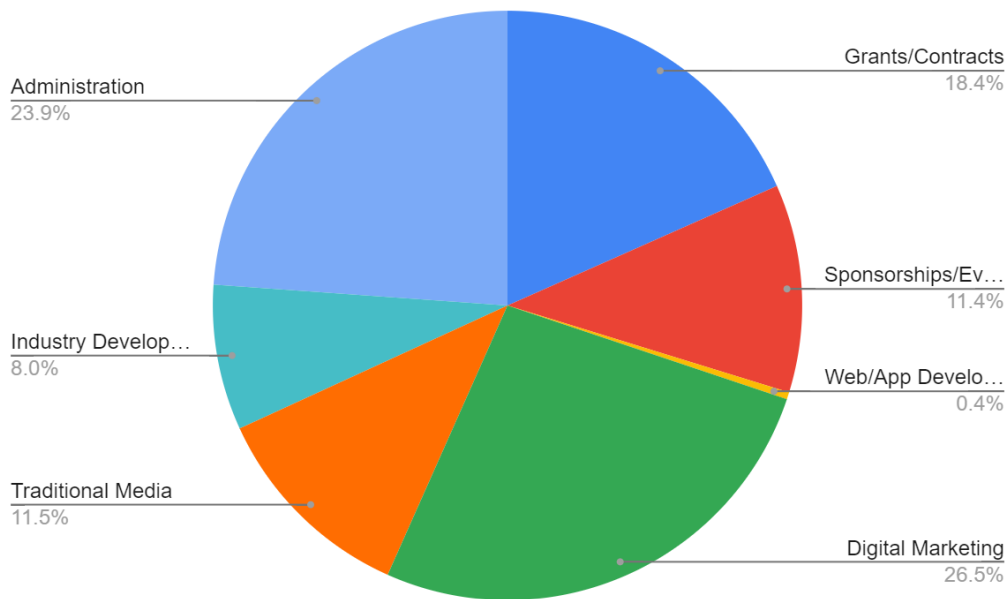


Muscadine group. The two groups focus on promoting the wine (cider and mead) and grape industry in North Carolina regardless of appointed group. By partnering with existing programs within NCDA&CS, the Council can capitalize upon existing knowledge and strategies, allowing it to address multiple industry 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 - 8/31/26
Daryl Locklear	Locklear Vineyards	9/1/22 - 8/31/26
Martin Crompton (resigned)	Union Grove Farm	9/1/22 - 8/31/24
Miller Taylor	Lu Mil Vineyard	9/1/23 - 8/31/25
David Myrick (resigned)	Myrick Vineyards	9/1/21 - 8/31/25

Vinifera Committee Member:	Business:	Current Term:
Hailey Klepcyk	Wine and Beer Supply	9/1/22 - 8/31/26
Amy Helton	Hanover Park Vineyard	9/1/20 - 8/31/24
Amanda Houser	Shelton Vineyards	9/1/22 - 8/31/26
Michelle Owens	Visit Hendersonville	9/1/23 - 8/31/25
Diana Jones	Jones von Drehle Winery	9/1/21 - 8/31/25



The Council met 4 times in-person and 8 times virtually during the 2023-2024 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 of appropriated funds from

the state's general fund, including staffing for one full-time position. The Council distributed the allocation as outlined above 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 runs a grant program called the NC Wine and Grape Industry Advancement Program which utilizes a portion of appropriated funds to support research, development, and marketing projects. The Council utilized \$97,500 to fund research and development projects during the 2023-2024 calendar year.

North Carolina State University – Enhancing NC Viticulture (\$20,000)
NC Winegrower’s Association – Research Collective (\$15,000)
NC Winegrower’s Association – Workshop Series (\$12,000)
CLINNEAM LCC – The Story of NC’s AVAs Video Project (\$25,000)

To support our industry partners and stakeholders we use sponsorships effectively to promote the industry. The following sponsorships utilized logos, media awareness, and participation.

NC Winegrower’s Association – Student Sponsorship to the NCWGA Annual Conference (\$2,400)
Fayetteville Technical Community College – Student Sponsorship to the NCWGA Annual Conference (\$4,200)
Surry Community College V&E Program – Student Sponsorship to the NCWGA Annual Conference (\$4,800)
NC Winegrower’s Association – “Taste of NC” Sponsorship (\$25,000)
NC Wine Guys – “Cork Talk” Sponsorship (\$2,700)
Surry Community College’s Southeastern Wine and Grape Symposium Sponsorship (\$1,500)
Meet the Maker Sponsorship – Our State Magazine (\$6,000)
NCRLA Chef Showdown Finale – NCRLA (\$7,500)
Unpretentious Palate – Sip and Savor (\$1,500)
NC CiderFest – NC Cider Association (\$5,000)

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 (Good Housekeeping, Real Simple, Cary Living), and digitally through a national mobile advertising network (WRAL Digital Media) and tourism geofencing through Causal iQ/Travel iQ.

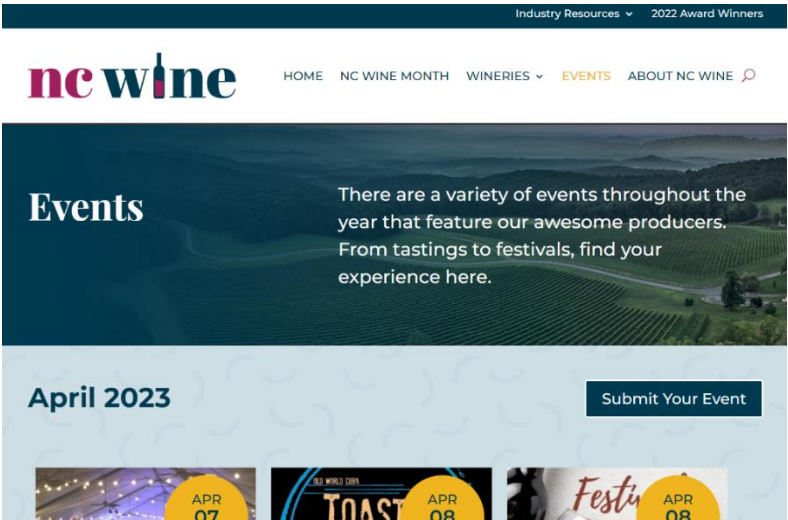
The Council also worked with various media outlets across the state to produce quality stories and editorials about the NC wine and grape industry. Whenever a story is being written or produced about the NC wine and grape industry, the Council contributes to the journalistic efforts by providing information, 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 extremely useful tool to connect with consumers and promote the industry on platforms such as Instagram, Facebook, and Google. 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 marketing program are stronger than ever.

Instagram: 7,774 (Aug 2022)	8,198 (Aug 2023)	8,971 (Aug 2024)
Facebook: 13,700 (Aug 2022)	15,800 (Aug 2023)	17,303 (Aug 2024)
Twitter: 5,313 (Aug 2022)		

Website/App

Our website, recreated and relaunched in early 2023, is performing well. It was created to be a hub for consumers to learn about our industry, find what they need, and be redirected to the producers’ websites. The streamlined structure and increased content are producing better results for our consumers. The website continues to feature all our producers across the state; constantly updating data and events. The website, www.ncwine.org, offers information ranging from tasting tips, and pairing events, 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.

This consumer site 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.



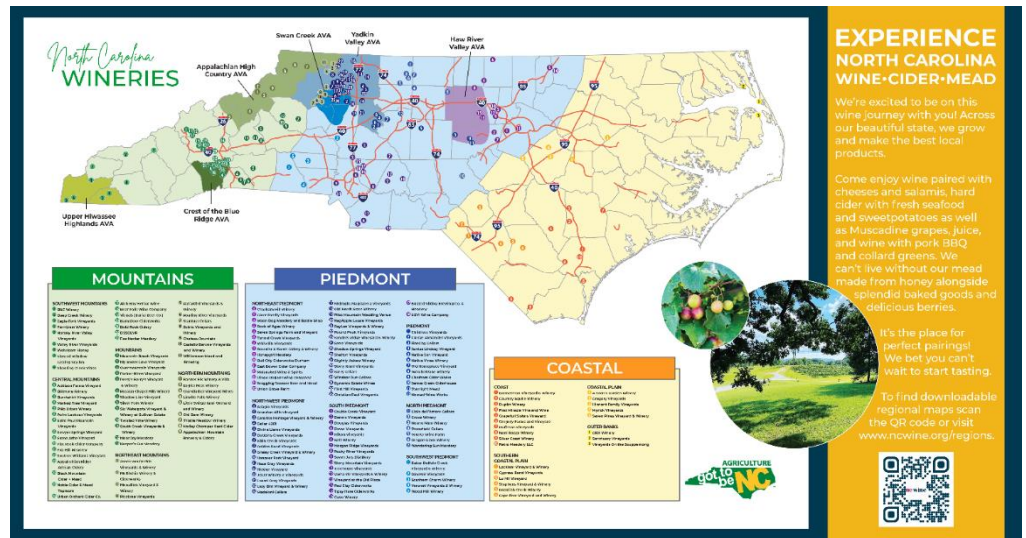
The industry-focused website is www.ncwine.org/industry-resources, which offers resources and information aimed at helping wineries grow and improve their product quality in North Carolina.

The industry requested an app, and we now have the NC Wine App, since June of 2023. The NC Wine App is an extension of our website. Some differences include banner ads, direct-to-consumer notifications, text to consumer ability. Future developments will allow our consumers to “check off” producers so consumers know where they have visited.

Consumers will also be able to post photos and reviews on a private account. August 2023, we had 250 downloads, today (August 2024) we have 2,064.

NC Winery Promotional Materials

In 2023, rack cards were printed and distributed to many tourism offices, welcome centers, producers, retail locations, restaurants, and hotels across the state. Rack cards give brief information about our wine industry with a QR code. This QR code will lead to a Google map to show all the producers in the state and a QR code to download the NC Wine App. Producers are color-coded to show trails and to give the consumer a better idea of the scope of wineries and their locations. Rack cards were created and printed for wine, cider, mead, spirits, and beer and all have the same cohesive look.



A new pocket map arrived October 2023 and we couldn't be happier with this promotional product. This two-sided full-color folding map and information guide provides a small, easy-to-carry wine guide. These pocket maps were created in-house. The artwork by Karen Smith, idea and layout by Brianna Burns, and the printing by Alpha Card. We printed 50,000 maps for around 0.36 cents apiece. Former winery guides were larger booklets costing closer to \$1.00 per booklet. Distribution is now in-house, and we are getting the guides out there to consumers.



Organizational Meetings

In 2023, the Council 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. May of 2024 the Muscadine Grape Association voted to be absorbed into the NC Winegrower's Association. Together, these associations are stronger. This move effectively removes the fresh market producers from the group, however they are still represented at the NCDA&CS and with the council through marketing of U-pick vineyards, NC Grape Month, and through commodity marketing at the Farmer's Market.



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's executive director, who then shared the information with the Council and stakeholders.

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 does not currently run any wine festivals. Tasting events and educational experiences are often requested of the Council and we contribute to many of those events.

North Carolina Wine Competition

The Council's executive director plans and hosts the annual North Carolina Wine Competition. The competition includes commercial wineries, cideries and meaderies whose products are produced with at least 75% NC-grown fruit or honey. From 2022, entries increased 34% from 217 to 291. Awards from the competition attract local and national recognition as well as media attention for North Carolina producers.

In 2023, a press release containing the winning wines and medaling wines was sent out. We also paired medaling wines with each chef's winning bite at the NCRLA Chef Showdown Finale, and we paired every demonstration's food with an NC wine, cider, or mead at the NC State Fair. The kitchen demo stage has been an integral part of medaling wines getting limelight as well as many of the producers being present at the demo to talk about their companies.



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 2023, we hosted the second Muscadine Wine and Food Experience at Triangle Wine Co in Cary. We had about 15-20 attendees.



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

Restaurants and retailers are urged to help the industry by promoting North Carolina wines through additional special events, including harvest festivals and fresh grapes sold 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. From February to May, we utilized iHeart Media to help increase our reach and frequency

across many digital channels. The Council was also able to get broadcast television ads on WNCT and WBTV to help amplify NC Wine Month.

CONCLUSION

The North Carolina Wine and Grape Council works diligently to continue advancing its goal of growing the industry it serves. 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 producers of North Carolina, and educating the consumer on the value of choosing local products, year after year.

For this new fiscal year, 2025, the Council has engaged a digital marketing firm and partner to help create a more wholistic digital marketing plan and approach. This digital marketing strategy will work to amplify the success of our producers and seek new consumers to buy our products.

In 2024-2025, the Council expects to continue updating and adding to ncwine.org with a new consumer account platform. We have heard feedback that our consumer would like a way to track their NC wine journey, and this private account will be a way to do that. Marketing dollars will be heavily focused on digital, omnichannel experiences, and strategic ad placements. Traditional marketing will continue to be a way to increase awareness through specific affluent publications. 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.