



# 2020 Winter Board of Directors Meeting

DECEMBER 8, 2020



AGENDA ITEM NO. 4

# **New Members to be Approved for Membership**

# New Winery Members (September)



NAME	CITY	COUNTY
<b>AvinoDos Wines</b>	Napa	Napa
<b>E16 Winery</b>	Santa Rosa	Sonoma
<b>Fresh Vine</b>	Napa	Napa
<b>Herzog Wine Cellars</b>	Oxnard	Ventura
<b>Lodi Vintners</b>	Acampo	San Joaquin
<b>McBride Sisters Collection</b>	San Luis Obispo	San Luis Obispo
<b>Napa Appellations Company</b>	Napa	Napa
<b>Skinner Vineyards</b>	Somerset	El Dorado
<b>ToyMaker Cellars</b>	Napa	Napa

# New Associate Members (September)



NAME	CITY	SPONSORS	SUMMARY
<b>Benchmark Vineyard Management</b>	Paso Robles, CA	Scheid Winery Hope Family Wines	Vineyard management consulting
<b>Uncorked Compliance, LLC</b>	Paso Robles, CA	Zenaida Winery Barr Estate Winery	Compliance services

# New Winery Members (December)



NAME	CITY	COUNTY
<b>Donald Patz Wine Group</b>	Windsor	Sonoma
<b>Lindquist Family Wines</b>	Santa Maria	Santa Barbara
<b>Littorai</b>	Sebastopol	Sonoma
<b>Terrill Cellars</b>	Lower Lake	Lake
<b>Theopolis Vineyards</b>	San Francisco	San Francisco
<b>Treasury Wine Estates (9 Following)</b>		
<b>Beaulieu Vineyard</b>	Rutherford	Napa
<b>Beringer Vineyards</b>	St. Helena	Napa
<b>Cellar 360 Paso Robles</b>	Paso Robles	San Luis Obispo
<b>Cellar 360 Sonoma</b>	Sonoma	Sonoma
<b>Chateau St. Jean</b>	Kenwood	Sonoma
<b>Etude Wines</b>	Napa	Napa
<b>Provenance</b>	Rutherford	Napa
<b>Stags' Leap Winery</b>	Napa	Napa
<b>Sterling Vineyards</b>	Calistoga	Napa

# New Associate Members (December)



NAME	CITY	SPONSORS	SUMMARY
<b>Donahue Fitzgerald LLP</b>	Oakland, CA	Lynmar Estate Joullian Vineyards & Winery	Legal services
<b>Union Bank</b>	Walnut Creek, CA	HALL Wines Amicus Cellars	Banking services



AGENDA ITEM NO. 8(b)(i)

# California State Relations Update

*Tim Schmelzer – Vice President, California State Relations*

## Smoke Exposure Research

### FUNDING FROM USDA

- \$3 million in House bill

### UC DAVIS COORDINATION

- Measurement: standardize consistent methodology
- Mitigation research - innovate techniques and processes in both vineyard and winery

## Direct Impact

### WHIP FUNDING

- Introduced, hopeful of passage in lame duck session
- Financial relief due to harvest losses

### REGULATORY RELIEF

- ABC relief for relocating premises
- Stormwater Permit – Ability to dismiss ash-tainted samples
- Region 2 Vineyard Order – Delayed fee collection and reporting for group monitoring



## Prevention & Risk Reduction

### INVESTIGATING OPPORTUNITIES FOR ENGAGEMENT

- Fire Safe Council Funding – local organizations implementing risk reduction projects
- UC Cooperative Extension – Research and Education regarding risk reduction techniques
- Identifying barriers/opportunities to make use of prescribed fires
- Identifying barriers to other fire risk reduction projects (i.e., grazing, brush removal, dead tree removal)
- Funding – considerable discussion on how to pay for fire prevention projects occurring

### INSURANCE

Non-renewals, premium increases

- Work with Legislators & Insurance Commissioner to identify solutions
- Possible credit for fire-hardening

Crop Insurance

- Working with winegrowers to make the program more attractive

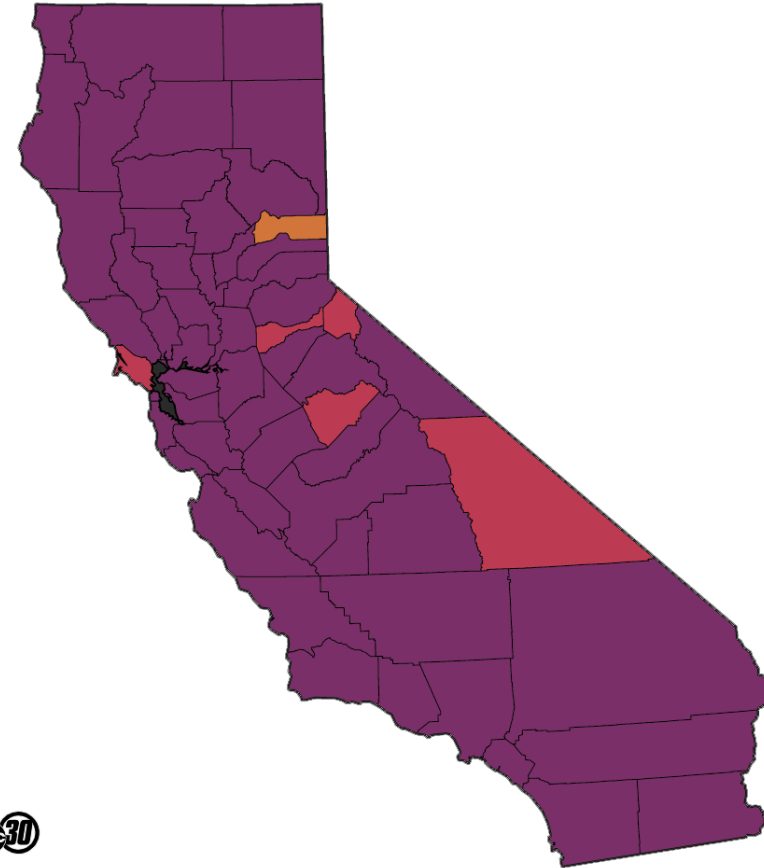
# COVID-19 Update



WIDESPREAD SUBSTANTIAL MODERATE MINIMAL

## How's your county doing?

The state unveiled a new reopening framework for counties at the end of August to replace its old "watch list." Every county is assigned to a tier based on the daily number of new COVID-19 cases and positivity rate. Counties with widespread coronavirus transmission (purple) have the most restrictive reopening rules. Counties with minimal transmission (yellow) have the fewest restrictions.



CLICK THE TABS OR YOUR COUNTY TO LEARN MORE



NORTHERN CALIFORNIA

BAY AREA & SACRAMENTO

CENTRAL CALIFORNIA

SOUTHERN CALIFORNIA

STATEWIDE



## Regions

**Northern California** – Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Shasta, Siskiyou, Tehama, Trinity

**Bay Area** – Alameda, Contra Costa, Marin, Monterey, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma

**Greater Sacramento** – Alpine, Amador, Butte, Colusa, El Dorado, Nevada, Placer, Plumas, Sacramento, Sierra, Sutter, Yolo, Yuba

**San Joaquin Valley** – Calaveras, Fresno, Kern, Kings, Madera, Mariposa, Merced, San Benito, San Joaquin, Stanislaus, Tulare, Tuolumne

**Southern California** – Imperial, Inyo, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Ventura

## Latest Guideline Updates

- New Face Covering Guidance
- Improved Canopy Guidance

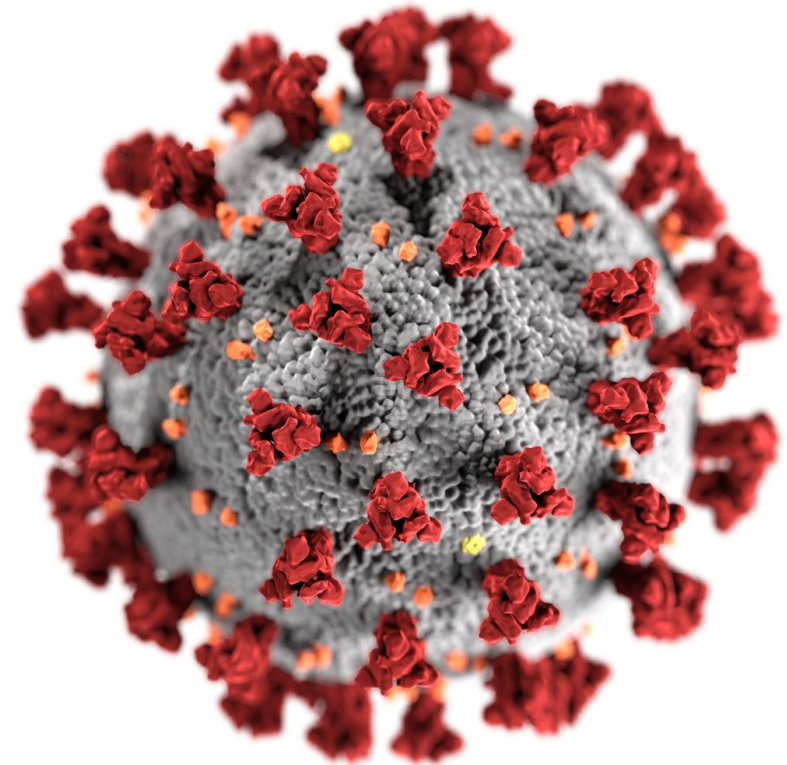
## New Workplace COVID-19 Prevention Regulations

- Cal/OSHA Emergency Regulations became effective November 30
- Wine Institute is working with a coalition to evaluate a potential legal challenge



## Wildfire & COVID-19 Communications

- Domestic and international media relations to ensure accurate coverage
- Up-to-the minute news to members
- Member resources and guidance on [www.WineInstitute.org](http://www.WineInstitute.org)
- Webinars with subject matter experts
- Proactive communications to address misperceptions





AGENDA ITEM NO. 8(b)(ii)

# Federal Relations Update

*Charles Jefferson – Vice President, Federal & International Public Policy*

# Craft Beverage Bill



## Progress Continues in Lame Duck

- Craft Coalition making all-out push for permanence/extension
- More support than ever – 77 Senate, 350 House
- At the mercy of dysfunctional legislative process
- Recent Day of Action generated more than 40,000 calls and emails to Congress from across the country
- COVID-19 and Government Funding comes first



## Fate Uncertain, May Wait Until 2021

- Approaching a cliff – Dec. 31st, 2020
- Important to prepare – Craft tax breaks apply to wine removed from bond by this date
- Particularly important for wine over 14% ABV
- Confident **benefits will be restored retroactively** if they expire



## Government Funding

- Current funding expires December 11th
- Without CR or Omnibus, TTB operations will be interrupted
- Short-term 7-day CR likely this week

## COVID-19 Stimulus – Bipartisan \$900B Plan

- PPP funding/extension
- Restaurants Act ?
- State and Local government aid?





# 2020 Dietary Guidelines



## USDA/HHS to Release 2020-2025 Dietary Guidelines This Month

- DGAC recommended change to guidance on moderate consumption for men:
  - Current: No more than two drinks per day
  - Proposed: No more than one drink per day
- Actively advocating to USDA/HHS not to accept this recommendation
- Agencies have heard our concerns re flawed process and science



# Federal Election Outcome

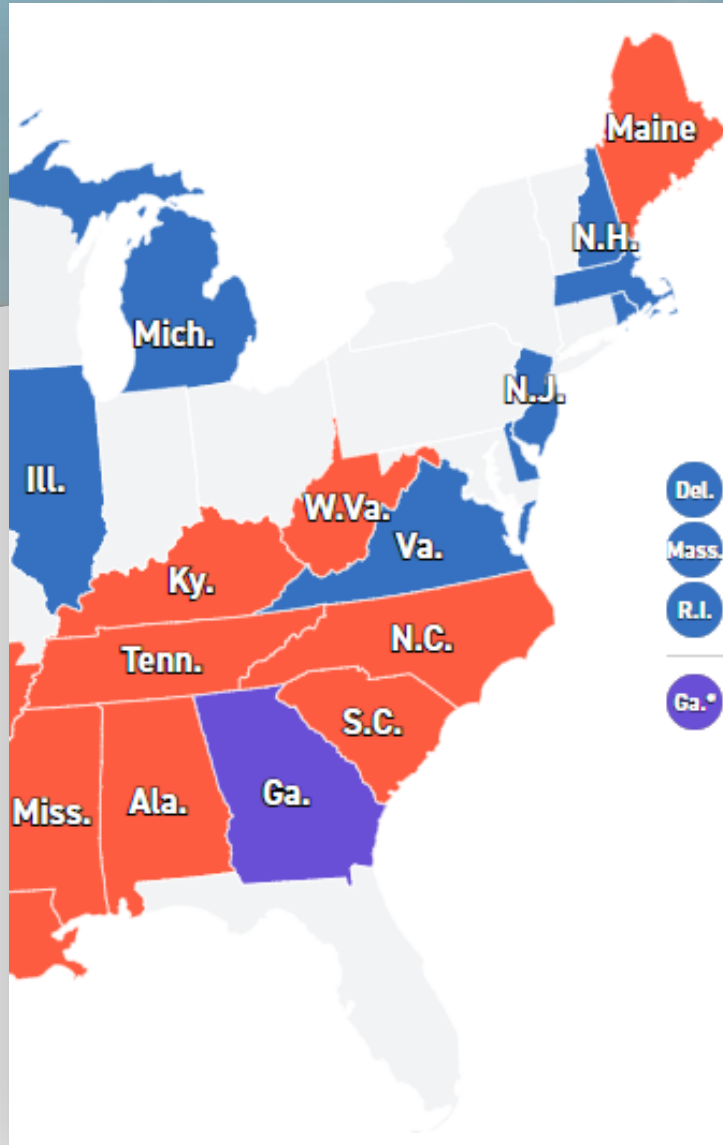


## Despite Biden Victory, Status Quo Prevails

- House Democrats maintain very slim majority
- Senate majority TBD – at most 52-seat majority
- Pelosi, McCarthy, McConnell, and Schumer all remain
- California Delegation:
  - a) New Senator TBD
  - b) House Delegation 42 D, 11 R
  - c) Rep. Valadao returns in Central Valley



# Senate Control



## Senate Majority and Control TBD

- Two GA Senate races decided **January 5th**
- Democrats need to win both to gain Senate Majority of 50+1
- Regardless, either party will be well short of 60 seat working majority

# State Legislature Control



## More Status Quo

Republican Trifecta

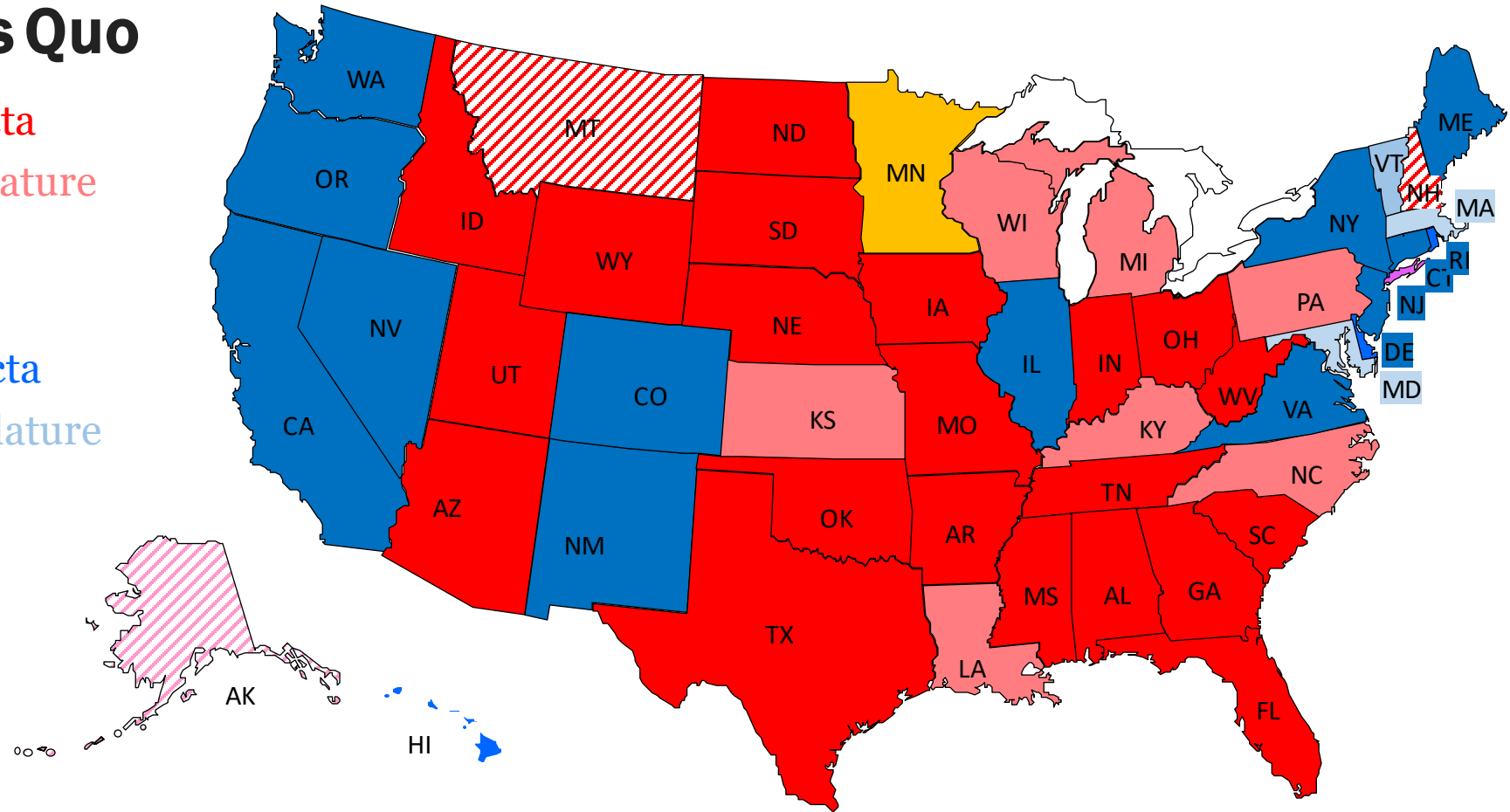
Republican Legislature

Split Control

Not Yet Decided

Democratic Trifecta

Democratic Legislature



## Can Biden Legislative Agenda Succeed Where Trump Didn't?

- Biden is the ultimate institutionalist
- More legislative and policy experience than any president in modern history

### **AREAS OF POSSIBLE COOPERATION:**

- Infrastructure
- Immigration

### **OTHER ISSUES WE ARE WATCHING:**

- Marijuana
- Environmental/health





AGENDA ITEM NO. 8(b)(iii)

# Public Policy Committee Update

*Tracy Genesen – Vice President & General Counsel*

## Requests

### THREE KEY CHANGES:

- 1) Expand tolerances to +/- 20%
- 2) Allow use of typical values/industry calculator
- 3) Collaborate on redefining FDA carbohydrate calculation for wine

## Success

### TTB ISSUES RULING 2020-1:

- 1) Expands calorie tolerances
- 2) Allows the use of databases and “typical values”
- 3) Aligns with FDA’s menu labeling requirements



## Significantly reduces the burden on wineries:

- Enables cost-effective nutrition labeling and advertising
- Eliminates need for expensive testing
- Industry savings of \$20,000,000 per year
- Levels playing field among competitors





# New Nutrition Calculator



## Launch of New Nutrition Calculator for Voluntary Labeling & Advertising

- November 2020 – Wine Institute unveils new nutrition calculator
- Allows Wine Institute members to generate TTB-compliant nutrition information
- Consistent with FDA food labeling regulations

The screenshot shows the 'Nutrition Data Calculator for Voluntary Labeling and Advertising' interface. It is divided into two main sections: Step 1 and Step 2.

**Step 1 - Enter Wine Information**

Wine Brand:

Wine Type\*:   
\*(e.g., Chardonnay, Ridge Creek Vineyard Merlot)

Alcohol Content\* (%abv):

\*If this is a "table" on the label, please use this product.

Sugar Content\* (g/L):

**Terms and Conditions**  
Pursuant to 27 CFR §4.39, users of the Calculator are responsible for providing accurate data and values that represent each blend. As the Calculator is only intended to be used for wines greater than 12% Alcohol by Volume ("A.B.V.") made from grapes or grape varieties, the Calculator is not suitable for fortified or botrytized wines. If you change, it is the winery's responsibility to appropriately update the Calculator. You understand that subsequent blends of the wine used for compliance with allowable tolerances set forth in TTB regulations may vary from the values from this calculator. You are responsible for the accuracy of the information you provide. Please review the Disclaimer on the Nutrition Information page.

I Agree with the Terms and Conditions

**CLICK "NEXT" TO PROCEED TO STEP 2: SERVING FACTS CALCULATOR FOR LABELING AND ADVERTISING**

v 1.0 - TTB Serving Facts Calculator  
Date Printed: 12/4/2020  
Carbs by Difference

1 (2)

**Step 2 - Nutrition Information**

**Wine Institute Serving Facts Calculator for Labeling and Advertising**

Wine Brand: Any Wine Brand  
Wine Type: Chardonnay  
Alcohol Content (%abv): 14  
Sugar Content (g/L): 6.6

Serving Facts	
Serving Size	5 fl oz (148 ml)
Servings Per Container	5
Amount Per Serving	
Calories	122
Carbohydrates	2.9g
Fat	0g
Protein	0g

**Serving Facts:** Serving size: 5 fl oz (148 ml); Servings per container: 5; Amount Per Serving: Calories: 122; Carbohydrates: 2.9g; Fat: 0g; Protein: 0g



AGENDA ITEM NO. 8(f)

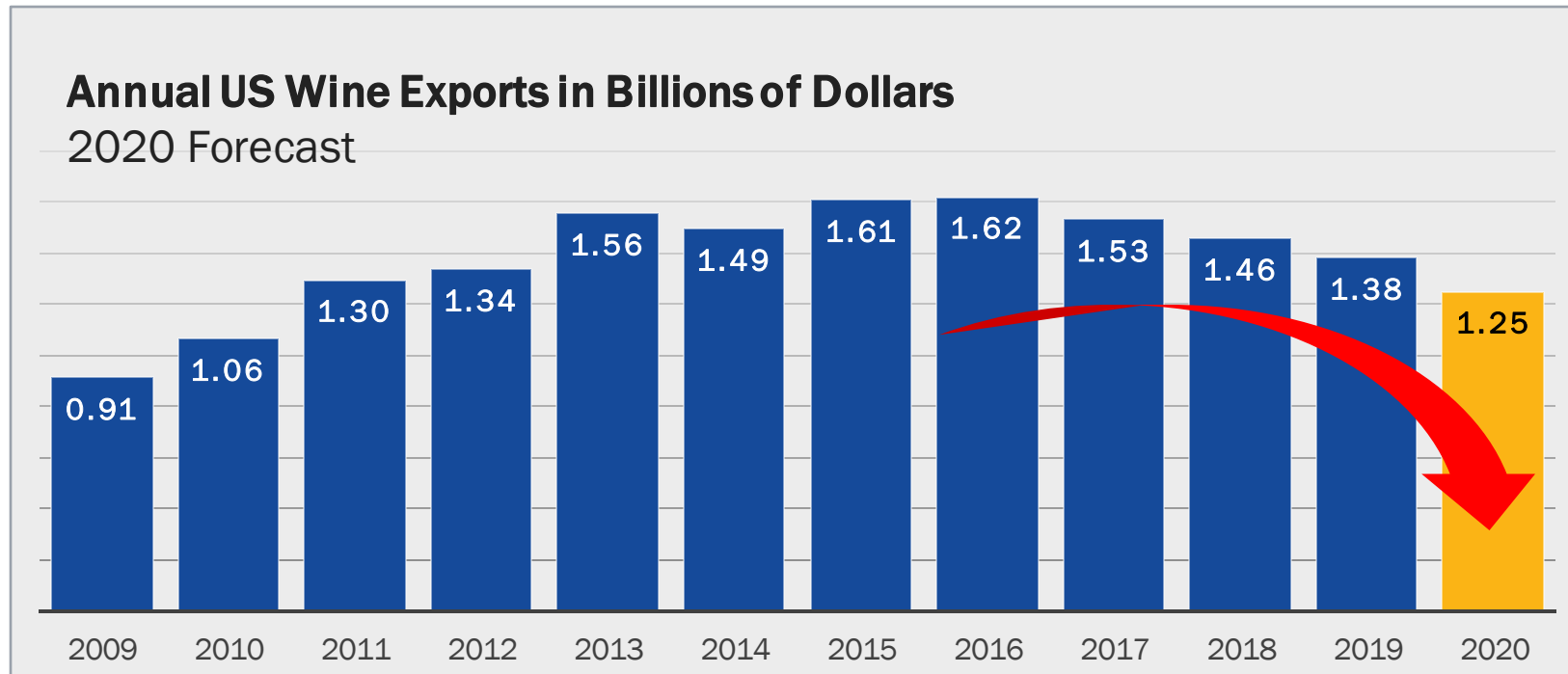
# International Marketing Update

*Honore Comfort – Vice President, International Marketing*

# Recent Trend for US Wine Exports



## Forecast -9.5% Decline through September 2020 *COVID-19 Accelerates Declining Five-Year Trend*

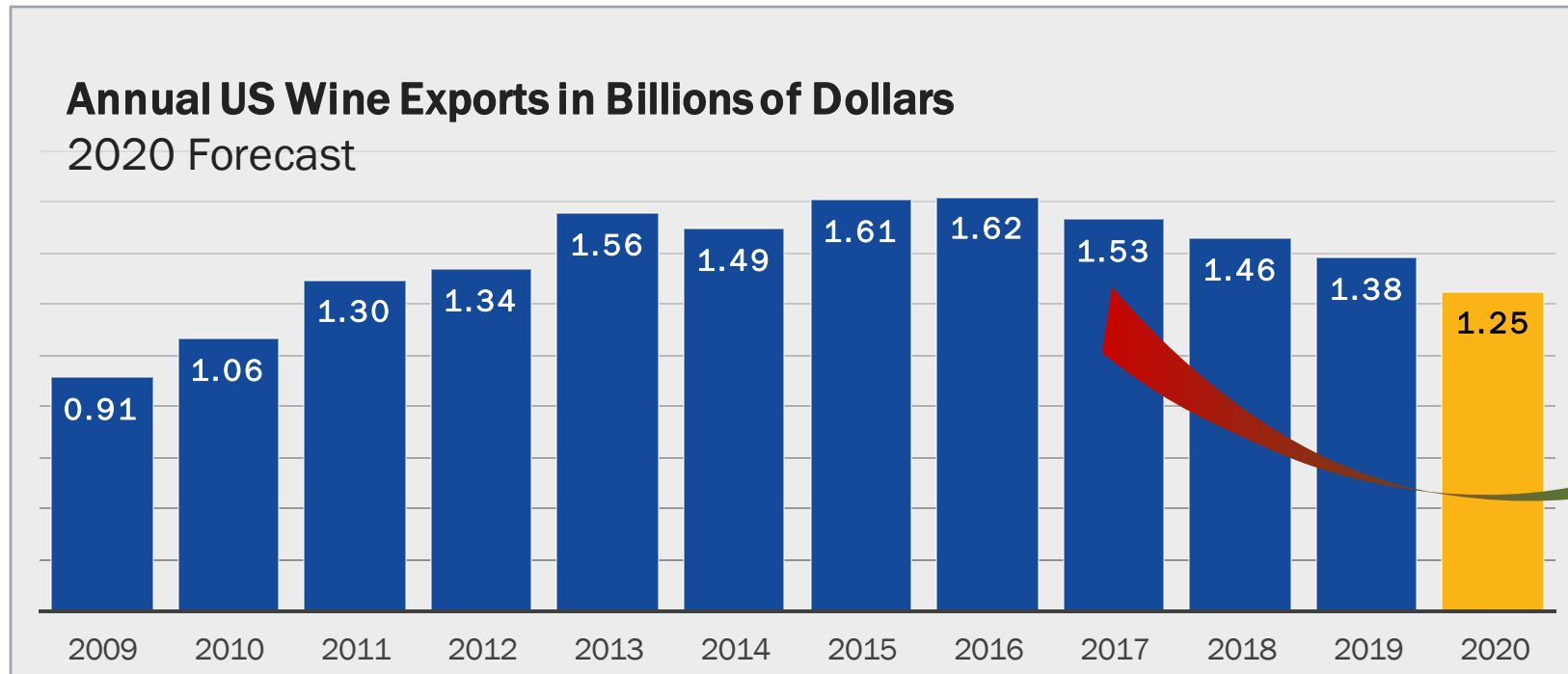


Source: Global Trade Atlas; U.S. Dept of Commerce Data

# The Goal: Reverse the Trend



## Drive Consumer Awareness, Interest & Purchase Behavior



Source: Global Trade Atlas; U.S. Dept of Commerce Data



GREETINGS  
from



**Innovation**

**Sustainability**

**Boldness**

**Golden State  
of Mind**

Innovation

Sustainability

**“Alive”**

Boldness

Golden State  
of Mind



# **California Wines.**

*As alive as the place  
they're grown.*

Putting it all together...



# THIS IS US



There are few glass ceilings in California. Whether you start out in the lab doing analysis or in the cellar hauling hoses and shoveling out tanks, opportunity abounds. The passionate self-starters you see here are just a fraction of the women who have made their mark on California Wine.

California Wines.  
As alive as the place  
they're grown.





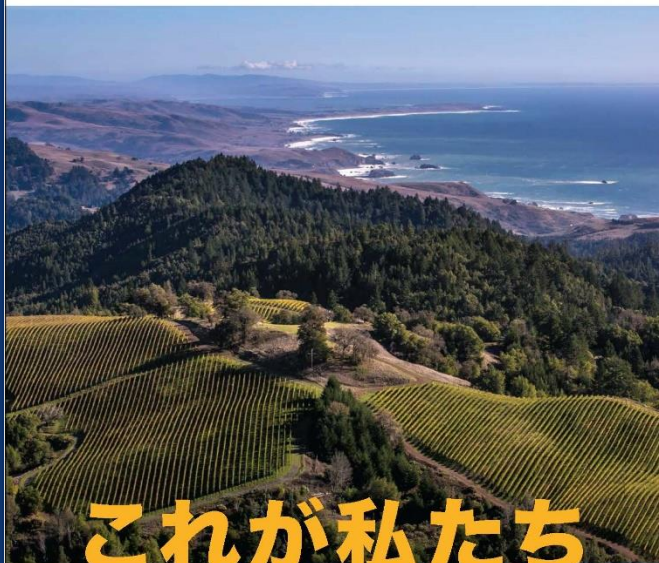
**ÇA C'EST NOUS**



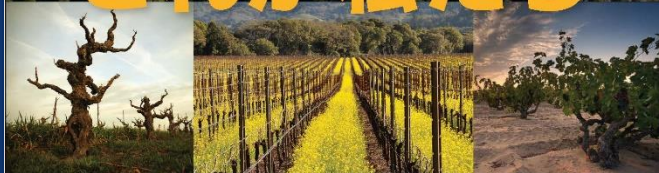
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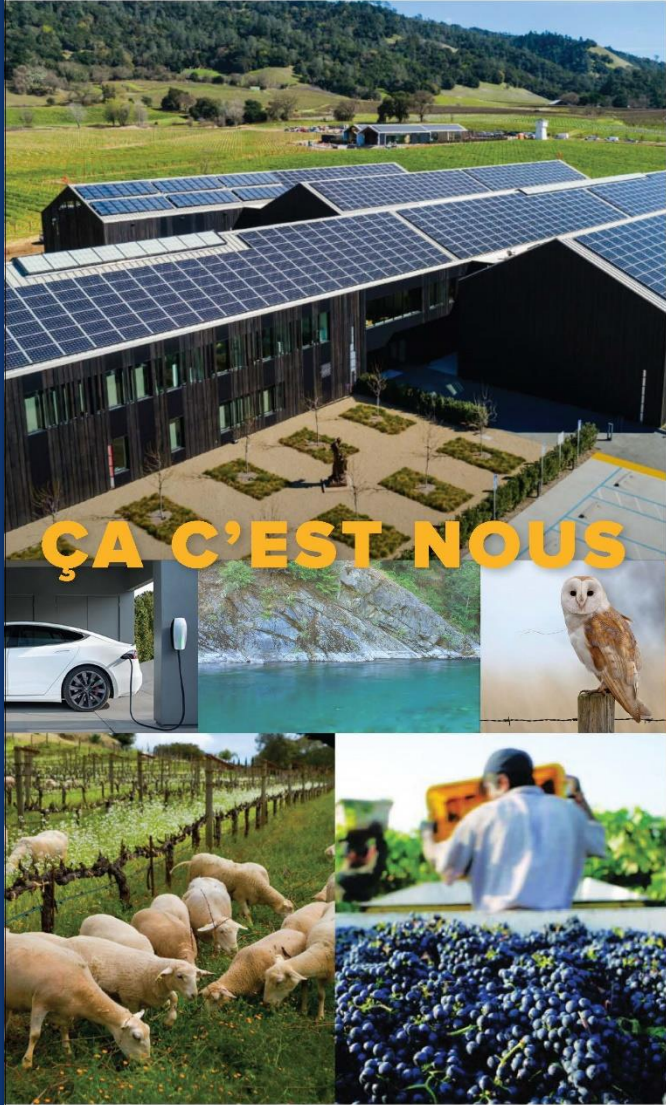
これが私たち



Carignane from  
Contra Costa,  
Counoise from  
Calaveras,  
Albarino from Lodi.  
In California,  
there are  
unexpected  
varietals growing  
in the least  
likely of  
places.

California Wines.  
As alive as the place  
they're grown.





ÇA C'EST NOUS



California has  
300,000 hectares of  
certified-sustainable  
vineyards.  
92 percent of our  
wines are  
sustainably made.  
We know wine by  
itself can't change the  
world but it can  
change the  
conversation.

California Wines.  
As alive as the place  
they're grown.





11

3013



SUN-KISSED  
SEA-CRISP









CALIFORNIA  
WINES

# competitive set



**WINES WITH STYLE**



CALIFORNIA WINE INSTITUTE

12/2/2020

# Global Digital Campaign

*mering*

Elevate brand **awareness and brand affinity** for California wines in competitive international markets.

This will **influence purchase behavior** at retail, online, and while dining out.



## Target Audience

Epicurious Wine Drinkers

Established and Opportunity Consumer-focused



## Geography

### Tier 1 Markets

- United Kingdom
- Germany, Denmark, Netherlands
- Quebec

### Tier 2 Markets

- British Columbia + Alberta + Ontario
- Japan
- Mexico



## Timing

January - December 2021

- Flight 1: Apr-May
- Flight 2: Sep-Oct



## Campaign KPIs

### Awareness:

- Brand lift results

### Media:

- Impressions, Reach, Frequency
- CTR, Sessions, TOS
- Video Engagement

Brand campaign will complement other trade, social, PR, promotional and retail activations with:

- **Impactful Visuals**
- **Brand Storytelling**
- **Activation Opportunities**



# Virtual Programming



## Webinars & Online Programs

- Behind the Wines
- The Harvest Sessions
- The Winemaker Sessions
- Sommelier Sessions – UK & Canada
- California Calling

## Virtual Tours

- LCBO
- Nordic Monopolies
- Japan Sommelier Association



# FY20-21: The Year Ahead



- CA Wine Education Program Launch
- Export 2021: Global Importers Conference
- Goals for Climate Action
- TV & Media Sponsorships
- *Eureka!* London

*Plus*, 12 months of programming in 27 countries around the world including:

- Retail promotions
- Restaurant programs
- Tastings & seminars

