

Vision 2015: A Strategic Direction for the Virginia Wine Industry

**Governor's Wine Study Work Group
June 2004**

Vision 2015: A Strategic Direction for the Virginia Wine Industry serves as a blueprint for the development of Virginia's Wine Industry as a producer of wines that embody quality, character and value ... characteristics that are imperative to meeting consumer demands of the 21st Century and paramount to the establishment of Virginia as a producer of world-class wine. ***Vision 2015*** has a lineage that traces back to President Thomas Jefferson's vision of Virginia as a leader in wine making, embodying that traditional vision into a formula that will drive the industry to success.

Vision 2015 was born out of the diligent work of Governor Mark R. Warner's Wine Study Work Group, an initiative to evaluate and develop recommendations for the enhancement of Virginia's wine industry. The Wine Study Work Group identified a critical need for the development of an industry strategic plan to serve as a guide for the industry's growth and development. The Group cited the experience of the Australian Wine Industry, including both the strengths and pitfalls in the rapid development of their industry, as providing valuable lessons for Virginia as the Virginia Wine industry enters its own rapid growth phase. One of the keys to success in Australia was the adoption of a strategic plan to which all sectors of the industry could subscribe; the Work Group decided that such an effort would provide a useful tool and that the Work Group should undertake the development of such a plan for Virginia.

Vision 2015 started as a traditional strategic planning process, namely, development of a strengths/weaknesses/opportunities /threats (SWOT) analysis for the Virginia Wine Industry, development of a vision/mission statement and the development of draft goals and strategies. The SWOT analysis, vision/mission, goals, objectives and strategies were refined and clarified through five meetings that obtained valuable insight and advice from numerous wineries, wine grape growers, wine distributors and wine industry support/service industry staff.

Vision 2015 serves as a guide to local and state policy affecting Virginia's wine industry, to the need for implementation of new and improved marketing strategies, to new strategies for supporting the industry through rigorous research/extension programs and through development of new financial tools to support entrepreneurs entering or expanding within the industry.

Above all, ***Vision 2015*** presents a challenge to all segments of Virginia's wine industry, a challenge to strive for excellence in wine quality and quality verification, production and processing, marketing, distribution, research and extension, and public policy development.

Vision 2015: Vision Statement

By the Year 2015 the Virginia wine industry will double its market share within the Commonwealth and reach measurable sales on a national level.

Mission Statement

An industry unified in its commitment to innovation and quality resulting in the production of world class wines in Virginia.

Wine Industry Strategic Plan

Objective 1

To improve the quality and uniqueness of Virginia wines.

Strategies:

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| 1.1 | Establish and adequately fund vineyard and wine production research and testing programs to insure the highest quality practices and standards are identified and met. |
| 1.2 | Develop an industry wide quality assurance program that addresses verifiable vineyard and wine production standards to insure the highest quality product within a specific market segment. |

Objective 2

To enhance the image and reputation of Virginia wines and the Virginia Wine Industry.

Strategies:

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| 2.1 | Develop a fully integrated marketing program focused on advertising, public relations and promotions to deliver a clear and positive message on the quality of Virginia wines |
| 2.2 | Ensure that Virginia wines are highlighted through at least 15 favorable reviews by recognized national wine industry publications. |
| 2.3 | 2.3 Identify key wine industry publications and writers by wine market segment and target these for wine reviews. |

Objective 3

To increase and expand the market share of Virginia wine sold in state, national and international markets.

Strategies:

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| 3.1 | Develop and implement an aggressive and comprehensive marketing plan targeted to restaurants, distributors, retailers, consumers, media and wine publications. |
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3.2	Conduct market promotional “blitzes” on particular Virginia wines at varying times of the year.
3.3	Promote the health benefits of wine to consumers.
3.4	Develop a promotional campaign under the slogan “Virginia Wineries: Next Big Thing.”
3.5	Analyze market trends and evaluations of Virginia produced wine varietals such as Cabernet Franc and Viognier for promotional potential as a Virginia identity based wine (similar to Oregon’s Pinot Noir).
3.6	Expand promotional activities for stable Virginia wines through unique branding (e.g. Chardonnay).
3.7	Implement marketing activities to encourage all Virginia grocery retailers to dedicate additional shelf space for Virginia wines (goal of 10% shelf space).
3.8	Implement marketing activities, training and educational programs to encourage more Virginia restaurants to carry Virginia wines and to emphasize Virginia wine-by-the-glass sales.
3.9	Review, revise, and develop new appellation designations and vineyard designated labeling to tie wine production to a specific Virginia production region.
3.10	Encourage greater participation in national and international wine competitions for select Virginia wines that are recognized as meeting established quality assurance standards.
3.11	Develop and coordinate marketing activities in coordination with the Virginia Tourism Corporation for winery visitor profiling, increased national and international tourist visitation, and evaluating the feasibility of a Virginia Wine Trails Program.
3.12	Develop and distribute a Virginia Wine Guide.
3.13	Further develop consumer wine tasting opportunities for premium Virginia wines through the organization of high visibility state and regional food and wine tasting events.
3.14	Expand the use of wine tasting rooms to orient consumers to Virginia wines.
3.15	Develop tourist promotions that connect wineries to Virginia historical attractions.
3.16	Develop marketing strategies to increase distributor interest in Virginia wines and expand distributor sales in major market areas.
3.17	Promote the concept of Virginia wine as a “daily pleasure” to Virginia consumers.
3.18	Establish a consistent wine marketing “road map” with a clear focus on the strategies identified to achieve specified goals and an evaluation procedure to measure success.

Objective 4

To improve the profitability of vineyard and wine businesses in Virginia.

Strategies:

4.1	Expand activities to increase the profitability of existing vineyards and wineries.
4.2	Develop cooperative activities or businesses for bulk purchasing of vineyard and wine production supplies and equipment.
4.3	Establish a Virginia wine cooperative to conduct wine advertising, and provide distribution and shipping services.
4.4	Identify an individual or organization to concentrate on improving the distribution of Virginia wines.
4.5	Develop or expand Cooperative Extension Service Lab facilities for use by Virginia wineries for testing and evaluation of products to increase quality.
4.6	Develop a listing of vineyard and wine production equipment available for lease.
4.7	Develop a vineyard/wine industry services and product directory.
4.8	Expand opportunities for greater mechanization through lease of specialized equipment such as mechanical harvesters.
4.9	Expand Research and Extension programs for the development of efficient and effective pest management programs (disease resistance and prevention, insect management).
4.10	Develop opportunities for cooperative purchase of crop protection materials.
4.11	Develop “custom crush” as an opportunity to increase the production level of high quality Virginia wine.
4.12	Develop wine and retail sales educational programs for winery tasting room staff.
4.13	Improve wine grape quality through expanded vineyard production educational programs for grape growers.
4.14	Establish and fund a winery consulting position to provide business management, accounting and finance services to wineries (Agricultural economics/business degree; Agricultural Business Extension Agent or Specialist).
4.15	Expand VA Tech wine industry technical training courses through regional course offerings at off-campus sites, on-line computer courses and Community College locations.
4.16	Develop and expand business and technical educational activities through Community College Workforce Training programs geared specifically towards wine industry training needs.
4.17	Institute or expand wine industry dialogue with private sector credit institutions on the economics and financial returns for vineyard and winery operations.
4.18	Continue the development of innovative wine grape cultivars that have the potential for the establishment of “Virginia-branded” high quality varieties (Cabernet Franc, etc.).
4.19	Identify and develop a program to address labor issues focused on obtaining and maintaining affordable labor resources (H2A Program).
4.20	Encourage stringent enforcement of existing Virginia wine laws regarding the use of

	Virginia produced grapes for the various classes of wineries.
4.21	Develop wine industry programs to increase demand and increase prices of Virginia wine.
4.22	Encourage increased wine retail, full-margin sales through the establishment and expansion of winery and winery owned or controlled off-site sales locations.

Objective 5

To maintain (enhance) Virginia's rural character and beauty through the expansion of Virginia's wine industry.

Strategies:

5.1	Conduct biennial surveys of consumers receiving VA wine literature to ascertain winery visitation rates, patterns, and experiences.
5.2	Design and provide industry sponsored educational programs for local government officials, planning commissions, and zoning administrators on the local economic development, agri-tourism and farmland preservation benefits of the Virginia Wine Industry.
5.3	Identify various county regulations affecting vineyard and winery establishment.
5.4	Develop a database ranking of counties and regions for winery establishment or expansion based upon county zoning requirements, local taxation, land use assessments and farmland preservation incentives.

Objective 6

To facilitate the development of complementary supply and service industries for the Virginia wine industry.

Strategies:

6.1	Identify Virginia-based and regional companies that are manufacturing products that are currently being used by the wine industry (e.g. glass bottle manufacturers).
6.2	Identify potential manufacturers of complementary products and educate such companies on the potential market and business opportunity (e.g. wood product manufacturers for cooperage business).
6.3	Identify collateral industries such as hotels and restaurants and educate these businesses on Virginia wines.
6.4	Investigate technical and business feasibility of cooperage businesses with the VA Tech Department of Forest Products.
6.5	Investigate Kentucky and Tennessee cooperage firms that are producing oak barrels for the Bourbon Industry.
6.6	Organize a suppliers' fair to allow companies to showcase products and services for the wine industry.

Vision 2015: A Strategic Direction for the Virginia Wine Industry was created by the Governor's Wine Study Work Group in concert with the members of Virginia's wine industry. The members of the Governor's Wine Study Work Group are as follows:

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