



Commonwealth of Virginia
Office of Governor Bob McDonnell

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Chateau Morrisette

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**Governor McDonnell Announces Wine Export
Agreement between Chateau Morrisette and
China's Tianjin Commodity Exchange
– *Five-Year Deal Results From Governor's Focus on Growing
Agricultural Exports, New International Marketing
Investments* –**

SHANGHAI, CHINA - Governor Bob McDonnell announced today as part of his trade and marketing mission to Asia that Chateau Morrisette and the Tianjin Commodity Exchange Company Limited (TJComex) have reached a five-year agreement to export Chateau Morrisette wines to China. The inaugural sale of more than 1,150 cases of wine from Chateau Morrisette was scheduled to arrive in Tianjin, China's fourth largest city, during the Governor's mission to Asia.

Commenting on this new export business, Governor McDonnell said, "This sale is another positive result of the ongoing focus we've placed on increasing recognition of Virginia's outstanding agricultural products and growing exports of those products to key markets, like

China, around the world. These exports ultimately provide new opportunities, and new jobs, for our agribusinesses and citizens. It's also a good example of how Virginia now has the ability to bring together foreign companies with Virginia businesses to find new export sale opportunities. I congratulate Chateau Morrisette and TJComex on reaching this accord and hope that this is the beginning of a long-term, prosperous relationship."

In Beijing, Virginia Secretary of Agriculture and Forestry Todd Haymore met with leadership of the commodity exchange to recognize formally the sale of Chateau Morrisette wines after meetings in Virginia late last year and to discuss future wine purchases. Haymore and TJComex leadership also agreed to explore potential export opportunities of other agricultural products.

"Today's announcement marks another positive step in the Governor's initiative to help the Virginia wine industry grow its presence in the global marketplace," said Haymore. "In fact, the Governor's strategic focus on growing agricultural exports in general continues to yield new opportunities for our producers. I appreciate the Governor and General Assembly providing the resources needed to help facilitate business discussions in the global marketplace between companies like Chateau Morrisette and TJComex."

Chateau Morrisette is located in Floyd County and is regarded as one of the oldest and largest production wineries in Virginia. The winery produces more than 60,000 cases of wine per year from its scenic location on the Blue Ridge Parkway.

"The Tianjin partnership is an integral step toward implementing our long-range strategy of increasing distribution both domestically and internationally," says Chateau Morrisette General Manager George Weldon. "A five-year contract firmly positions Chateau Morrisette on the global stage as Virginia's premier winery and it serves as a testament to the quality wines produced by our winery."

TJComex was founded as China's fourth commodities exchange and the first in the country to be funded privately. The company provides a trading platform for a wide range of materials and commodity products, ranging from wood products to iron ore, and now high-value agribusiness products such as wine. The exchange began operations in December 2009 and is developing its portfolio of commodities along with opportunities generated by consumer demand in China.

Dr. Chuanliu Ni, President and Chief Executive Officer of TJComex said, "We are very pleased to have found wine of such superb quality in Virginia. The Chinese market for wine is growing rapidly and we hope that by beginning a long-term relationship with Chateau Morrisette, we will expand wine culture in Tianjin and open our city and country to future purchases of Virginia wines. We also would like to thank Governor McDonnell, Secretary Haymore, and Virginia's agribusiness development team for their help in introducing Virginia wine to consumers and investors in China."

Leading up to this sale, Virginia Department of Agriculture and Consumer Services (VDACS) international marketing staff partnered with the Advocom Group to introduce TJComex members to various Virginia wineries. Advocom and VDACS staff worked together to coordinate a trade visit by TJComex members to Virginia, during which members of the exchange met with Virginia companies producing wine, wood products, and other agribusiness

commodities. Founded by Virginia residents Lane Bailey and A.J. Donelson, the Advocom Group is a global consulting firm with offices in Washington, DC and Beijing.

"We were pleased with this initial purchase and we look forward to helping TJComex with future purchases and investments in Virginia wines and other products," said Donelson.

Domestic and international promotion of the Virginia wine industry is one of Governor McDonnell's top economic development and jobs creation initiatives. Since 2010, the McDonnell administration worked with the General Assembly to establish a reimbursable tax credit program for the establishment or expansion of vineyards and wineries and to almost triple the amount of funds placed in the Virginia Wine Promotion Fund for research, education, and marketing programs. Governor McDonnell also promotes the sale of Virginia wines in Virginia, around the country, and during foreign trade and marketing missions.

Virginia currently ranks fifth in the number of wineries in the nation with more than 230. Virginia is also the nation's fifth largest wine grape producer. According to a 2012 economic impact study, the Virginia wine industry employs more than 4,700 individuals and contributes almost \$750 million to the Virginia economy on an annual basis. In addition, more than 1.6 million tourists visited Virginia wineries in 2011.

In 2010, Governor McDonnell implemented a strategic plan to grow the state's agricultural and forest product exports. Working in close partnership with Virginia's producers, agribusinesses, and exporters, Secretary Haymore and Virginia Department of Agriculture and Consumer Services' (VDACS) Marketing and Development staff focus on retaining strong market presence in mature and established markets like Canada, China, and Japan, pursuing new opportunities in emerging markets such as India and Mexico, and developing business in unconventional markets, such as Cuba and Venezuela. This team also works with state government partners, including the Secretariat of Commerce and Trade, the Virginia Port Authority, and the Virginia Economic Development Partnership, to find more export opportunities.

To supplement the strategic effort, the Governor secured new international marketing funds from the General Assembly over the last three years for VDACS to open agricultural trade offices in India, China, Latin America, and the European Union, all regions that contain some of the world's largest and fastest growing economies. Later this year, Virginia will open an agricultural trade office in Canada. VDACS has had a trade office in Hong Kong for more than 20 years.

Since taking office in 2010, Governor McDonnell has led overseas trade missions to Canada, Great Britain, Ireland, Switzerland, the Netherlands, Sweden, Germany, Japan, China, South Korea, Israel, and India. These missions and the work of VDACS' new international marketing staff with Virginia's private sector exporters have resulted in more than \$500 million in new agricultural exports from Virginia so far.

Agriculture and forestry are Virginia's largest industries, with a combined economic impact of \$79 billion annually: \$55 billion from agriculture and \$24 billion from forestry. The industries also provide approximately 500,000 jobs in the Commonwealth.

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