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**Lake County Winegrape Commission Meeting
Strategic Planning Roundtable Session Meeting Minutes**

February 14, 2013

11:00 a.m. – 2:00 p.m.

The Tallman Hotel's Riffe Room, 9550 Main Street, Upper Lake, CA 95485

1. Meeting was called to order at 11:12 a.m.

2. Roll call

Non-Board members introduced themselves.

Attendees:

Randy Krag, LCWC Board member
David Beckstoffer, Beckstoffer Vineyards
Andy Beckstoffer, Beckstoffer Vineyards
Jeff Lyon, LCWC Board member
Broc Zoller, LCWC Board member
Jonathan Walters, LCWC Board member
Bill Brunetti, LCWC Board member
David Weiss, LCWC Board member
Peter Molnar, LCWC Chair
Debra Sommerfield, LCWC President
Shannon Gunier, Consultant
Pietro Buttitta, grower, Lake County Winery Association (LCWA) board member
Buz Dereniuk, LCWC Board member
Lise Skaanild, Kendall Jackson
Dennis Krentz, grower
Nick Buttitta, LCWA President
Paul Zellman, Consultant

3. Open Agenda/Public Input

None

4. Introduction of New Commission President

LCWC Chair Peter Molnar introduced Debra Sommerfield

5. Recap of Recent Successful Commission Projects and Activities

Overview by Peter Molnar

For the past 2-3 years, the Lake County Winegrape Commission has focused on Lake County's regional characteristics, professionalism, and activities that create outreach to actual winegrape buyers. In addition, the LCWC has created and developed innovative programs that they are now promoting, including the Master Vigneron program, Sustainable Winegrowing program, and with help from a USDA Specialty Crop Block Grant, the Lake County Rising Campaign.

LCWC marketing campaigns were promoted as "The Mountains of the North Coast" and corresponding talking points were included in outreach campaigns to both media and winegrape buyers.

The LCWC has also improved the vineyard map on the web site to include layers of climates and soils so that media and winegrape buyers can learn more technical aspects of Lake County.

The LCWC has also maintained the Elevation of Wine web site that provides growers with Technical information through Western Weather.

6. Open Discussion on the Next Five Years – Strategy and Plans for the Commission

Comments from participants:

Andy Beckstoffer commented on the "great foundation" the LCWC has developed in the past few years.

Dennis Krentz: Great materials for buyers who do not know Lake County. Not sure if writers tours work for getting winegrape customers.

Andy Beckstoffer: In Napa, in the 1970's with winemaker André Tchelistcheff, the focus was on production. Then in the mid 80's thanks to Robert Mondavi, the focus shifted to marketing.

The Commission needs to make that shift and Mendocino failed because they did not do that. The LCWC needs to look at how they present themselves and the LCWC can sell Lake County as a new and upcoming wine region. Articles are stating that there is great promise in Lake County, and not in a way that makes us sound like we are competing against Napa.

We should say the North Coast because it connects us with Napa and Sonoma. We need to exploit that promise. Present ourselves as the new region with the promise. Andy went on to say, that he sees a good growth cycle in the premium wine market for at least the next 7 years.

Peter Molnar: Traditionally LC grapes have gone into a \$20 program and grower relations people have been given their marching orders not to go over a certain price. If we can get wineries to look into a higher program, we could move into that higher price point. And to answer Dennis Krentz' question, we can't get there without the media.

Most important people are the brand guys. If you can get them to buy in, this equals success. CFO gets with the brand people to see where the market is. The current challenge is that there is a lot of distance between a grower and a brand manager.

Andy: LC needs to get a whole new group of wineries to buy our grapes. Put together that story to the big guys with the promise and the needs. Take the data and tell them we are the region they are looking for. We need to go to Gallo and ask them what they are going to do and then tell them what to do. Make a thoughtful strategy to go after the Brand Manager (person to person).

Peter: We need to meet with wine educators/distributors and get them to understand our region because more than anyone THEY create message multiplication. Educate brand managers like at KJ, Gallo, and Bill Foley's groups. The "brand guys" are the guys to market the increased bottle price goal to.

Andy: We need to get with the Gallo brand people and find out what they are planning with their purchased Lake County vineyard, then present to them what we are doing to market the County. If Gallo comes out with a \$10 Red Hills Cab, this will not be good for Lake County and growers.

Broc Zoller: Another aspect is, is who we are. We are simple, we will never be Napa or Sonoma, we try hard. We have history, we have roots. Not to detract from what is being said but there is another group of people who is attracted to our more local tourism. What makes us different. – We are bargain for what you get here.

Andy: You got to sell Sexy. The first Mendocino Winegrape Commission advertising campaign did not show the County in their best light.

David Weiss: We should not be Napa and Sonoma, and I think we used those errors as a road map. I think Lake County has new, more modern vineyards – more than Mendocino does, which has helped us move up in state pricing. There was a time when it was embarrassing to grow grapes in Lake County – wrong varietals planted in the wrong places, and I felt that way too.

Peter: We should not shy away from our simplicity and our history. It's a fact that our message is sometimes so practical. When we talk about our sophistication, it's not our houses; it's our growing practices, like the MV program.

Randy Krag: The reason people are coming to Lake County is because we are professionals – we know what our customers want, and we deliver. Professional crew, equipment and technical data like weather – we are selling human resources and professionalism - that's what sells.

Peter: We need to continue to develop different messages to different groups. We do try to tailor the messages to different groups but fundamentally it's the same message said in different ways.

David Beckstoffer: It is important to know our market. The biggest marketing advantage is we are new and we are different. We are poised for younger drinkers. These millennials are looking for something new. It is very important. Focus our marketing on them. We are legitimate now.

Andy: Get to the bloggers. The Laube's and Parkers, scores are not of interest to this group.

Pietro Buttitta: Would not attend bloggers conference again. Out of all the people who attended, there were only about 20 good bloggers that have written anything decent. There are only 20 bloggers out of 200 that are worth going after.

Jonathan Walters: Think about the blogger and how to get to the effective and serious ones that are "young and hip."

Nick Buttitta: Find common marketing plans that can be interfaced with the Lake County Winery Association.

Peter: One of the reasons we hire consultants like Chris Sawyer and Stacie Jacob is so that we can get their up-to-date rolodexes and get key writers and bloggers. If we can feed our messages to the people with the large marketing budgets, that is a great way for us to go.

David Beckstoffer: Being targeted is very important.

David Weiss asked Andy to explain more about Napa's change over from production to marketing.

Andy: It was the personality of Robert Mondavi. "Wine is good for you" "This is what you need to be doing. This vogue lifestyle is the way to be." Then more people started saying it and it kept going. The Paris tasting helped. The French paradox came along; we didn't know about it in advance but we talked it up and rode the rising tide. We just kept talking the talk. Many times you just won't know it until it comes out.

For Lake County, we have shifted to the vineyards. We should be telling our prospects and customers "This is where you need to be, because LC has a place of promise." We need to create focus. Great promise of a new region. They don't know where to go, so you tell them to go to Lake County. There never was a \$100 bottle of wine until 10 years ago.

Bill Brunetti: Grower education is very important. Not sure what the format is but we need to get growers to believe in the quality and ask for the increased price.... Always talk Quality, Value is secondary to this.

Peter Molnar: Adventuresome is a dynamic that will drive people here. The wine drinker is adventurous. We only have 8,800 acres; we aren't trying to reach everyone.

Andy Beckstoffer: You haven't heard about us yet. We are in the North Coast but we are the new little guys. And, the appellation must be accompanied by the Lake Co. name.

7. Adjourned at 2:16 p.m.

Prepared by Shannon Gunier, CPI Marketing

LAKE COUNTY CRUSH DISTRICT 2 WINEGRAPE COMMISSION

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