

September 6, 2023 (V.7)

This outline describes the planning grant proposal for the wine industry in GO Virginia Region 9.

Project Title: “Cluster” Scale Up for Wine Industry in GO Virginia Region 9.

Objective: The project will clarify the composition of the Wine Industry in GO Virginia Region 9 (Region 9) and identify barriers to scaling in addition to developing strategies that address gaps.

Background: This will be a cluster scale up planning grant that will focus on the wine industry niche within the Food & Beverage Manufacturing target traded sector in Region 9. The wineries within Region 9 cumulatively represent the most acres under vine in any area of Virginia and a comprehensive analysis of the winery niche has not been completed to identify gaps in this traded sector to identify barriers to industry growth including exports nationally and internationally.

GO Virginia Request: \$100,000

Total Match (cash or in-kind) required from non-state resources (1:1): \$100,000*

*(if > \$50,000 of match is provided by local government OR private sector a reduced match of 2:1 may be requested)

Applicant: County of Nelson (tentative)

Activities:

- Consultant - Hire a qualified consultant to evaluate the wine cluster in Region 9 and publish a report that includes an assessment, identification of barriers to growth, and strategies for addressing gaps, and action plan including partners and funders.
- Surveys to the membership of the Virginia Wineries Association and the Virginia Vineyards Association.
- Meetings with industry-wide stakeholders: Virginia Wine Board past and current members, Marketing Office of the Virginia Wine Board, Virginia Winery Distribution Company, Williams Compliance, Winemakers’ Research Exchange, Virginia Tech and extension current and retired faculty, custom-crush facility owners and managers, vineyard and winery consultants, owners of vineyards and wineries (representing a diversity of geographical regions, business models, sizes, and years in operation), bottling and canning companies.
- Whenever needed, consultation with stakeholders in other states to compare strategies and remedies.
- Business-led coalition to validate findings and recommendations.

Goal: Identify gaps and barriers to growth and export in all areas of the industry, including

- Labor
- Financial support
- Availability and quality of the agricultural product
- Marketing within the Commonwealth, nationwide and beyond
- Availability and cost of supplies and chemicals

- Knowledge transfer
- Production facilities
- Legal issues at the state and county levels
- Tax issues at the state and county levels
- Distribution and transport of packaged products
- Economic Impact
- Potential for a Center for Virginia wine

Outcomes/Products:

- Region 9 Cluster Assessment Report
- Identified Gaps and Strategies including potential funders, leaders/partners of strategies, GO Virginia grant, etc.
- Action Plan (3-5 years)

Related Reports/Activities:

- The Economic Impact of the Wine and Wine Grape Industries on the Virginia Economy (2019): <https://vaw-public-prod.s3.amazonaws.com/1d80df21e685a927e1647af1583c76a5.pdf>
- State of the Wine Industry Report 2023, Silicon Valley Bank, <https://www.svb.com/trends-insights/reports/wine-report>
- GO Virginia Region 9 Growth Plan
- Regional Entrepreneurship Investment (REI) Strategy Report (in development) – Community Investment Collaborative
- Talent Supply Connector – Virginia Career Works -Piedmont Region (VCW-P) – grant includes efforts to develop internships for Food & Beverage Manufacturing and Light Manufacturing
- 2013 AFID Planning Grant for a Virginia Wine Center by Lord Cultural Resources

Potential Advisory Council or Partners:

- Central Virginia Partnership
- Central Virginia SBDC rep
- Chambers
- Community Colleges – PVCC, Germanna, Laurel Ridge
- Fauquier County, Rappahannock County, Louisa County
- Local government representative from region's localities
- Region 9 participants database from Crafting a New Normal
- Reps from companies that provide service to Virginia wineries (i.e. bottling services, crushing services, marketing, etc.)
- Research (Joy Ting)
- Virginia Vineyards Association
- Virginia Wine Board Members and Staff
- Virginia Winery Association
- Winery and Vineyard Services providers
- Winery owners from throughout the region with a mix of business models, sizes, years in operation