

COMMONWEALTH of VIRGINIA Office of Governor

Megan Seibel Deputy Secretary of Agriculture and Forestry

Date: August 1, 2017

To: All interested parties

Subject: Farm Winery Study 2017 – Information and request for input

We are reaching out to you regarding a new Virginia farm winery study, to ask if you would give 20 minutes of your time to share your experience and perspective on specific issues and possible solutions. We provide background information and instructions (below) for how you may share your thoughts and perspectives. Survey responses must be submitted by **Friday**, **August 18**, **2017**. Depending on your industry affiliation, you may receive this request from different organizations. Please complete it only once.

Overview

A Farm Winery Study was requested by the Virginia Legislature through the following budget language in HB 1500 (2017) at item 88 #1c:

"The Secretary of Agriculture and Forestry shall convene a panel of stakeholders within and outside government to: (i) review state and local noise and traffic regulations and the marketing of Virginia wines through events and activities; (ii) consider findings of previous relevant studies on Virginia farm wineries; and (iii) develop recommendations as appropriate for how the state can better foster the viability of Virginia farm wineries. The Secretary shall complete all meetings by November 15, 2017 and report such recommendations to the Governor and the General Assembly no later than November 30, 2017."

Consistent with the legislature's guidance, the SAF has convened a panel of stakeholders with representatives of the following organizations to assist in developing a report and recommendations:

- Center for Rural Virginia
- Monticello Wine Trail
- New Kent Sheriff's Office
- The Piedmont Environmental Council
- Thomas Jefferson Planning District Commission
- Virginia Agribusiness Council
- Virginia Agricultural Development Officers Group
- Virginia Association of Chiefs of Police
- Virginia Association of Counties
- Virginia Chamber of Commerce
- Virginia Farm Bureau Federation
- Virginia Department of Alcoholic Beverage Control
- Virginia Department of Agriculture and Consumer Services
- Virginia Municipal League
- Virginia Tourism Corporation / Authority
- Virginia Vineyards Association
- Virginia Wine Board Marketing Office
- Virginia Wine Council
- Virginia Wineries Association

Context

Virginia's Farm Wineries are agri-business enterprises licensed by the Virginia Department of Alcoholic Beverage Control for the manufacture of wine made from agricultural products grown in the Commonwealth (no more than 25% of the agricultural inputs can be from outside of Virginia).

A 2015 report, by Frank, Rimerman and Company completed in 2017, details the economic impacts of the Commonwealth's wine industry. As of 2017, a total of \$1.37 billion is contributed annually by the wine industry to Virginia's economy, including the following aspects:

- Employment: Approximately 8,200 jobs representing \$291 million in wages
- State and Local Taxes: \$94 million paid in taxes to state and local jurisdictions
- Wine-related Tourism Expenditures: \$188 million

The continued viability of Virginia's vineyards and wineries is contingent on a variety of factors that influence grape production, the manufacture of wine and wine sales. These factors include weather, crop prices, marketing and the quality of the final product. In the area of marketing, Virginia's licensed farm wineries are allowed to sponsor events and activities that support sales and marketing of wine products. The attraction of visitors to on-site farm winery events can generate additional traffic and noise that can impact the adjacent community. Different jurisdictions have adopted zoning ordinances or regulations, consistent with existing state law, in seeking to balance the interests of farm wineries and local residents.

Input Sought

Through the Farm Winery Study, the General Assembly is seeking recommendations on how to best balance the range of issues, interests and concerns related to Farm Wineries and marketing events and activities to better foster the viability of Virginia Farm Wineries. In preparing to develop a report and recommendations, the Farm Winery Study will look at an array of available information: previous studies and reports, current ordinances and stakeholder input.

As part of the Study's outreach efforts, your insights and suggestions are being sought on issues and solutions related to noise, traffic and marketing through farm winery events and activities.

Please take a few minutes to complete the online survey at: https://virginia.az1.qualtrics.com/jfe/form/SV 71cj64yKhIks4i9 .

The study and survey will be supported with assistance from University of Virginia's Institute for Environmental Negotiation (IEN) and Virginia Tech's Center for Geospatial Information Technology (CGIT).

- If you need assistance with the online survey, please contact Judie Talbot, IEN Senior Associate, at jat5yc@virginia.edu or at 775.720.0214 (cell).
- If you are seeking additional details about the Wine Study, please contact Megan Seibel, Deputy Secretary, at Megan.Seibel@governor.virginia.gov or 804.692.2513 (office), 804.298.4161 (cell).

On behalf of the SAF Farm Winery stakeholder panel, we thank you in advance for sharing your experiences and perspectives on these important issues.

Sincere Regards,

Megan M. Seibel, PhD, RN

Mynnsidel

Deputy Secretary of Agriculture and Forestry