

# LODI WINERY MARKETING COMMITTEE

In 2003 the Lodi Winegrape Commission partnered with local wineries to create the Lodi Wine Country marketing effort. This unofficial committee was funded with winery contributions and Commission resources to attract wine consumers to Lodi, and build awareness and sales opportunities for Lodi wines across the country. Over the past seven years these efforts have been very successful. Lodi wines, many that didn't even exist seven years ago, are now found on the shelves all across the country. Today, tens of thousands of wine enthusiasts descend upon Lodi to visit our wineries, stay in local hotels, and take in our annual events.

We're now taking it to the next level. Recently the Commission board of directors formalized the "Lodi Winery Marketing Committee" as a standing committee of the Winegrape Commission. Now the Commission has two marketing committees, the Grower Marketing Committee, and the Winery Marketing Committee. Building demand for our grapes and enhancing region-wide awareness will be the charge of the Grower Marketing Committee. Winery promotion will fall under the Winery Marketing Committee, which will be completely self-funded by winery contributions and special event revenues.

## LODI WINEGRAPE COMMISSION Crush District 11

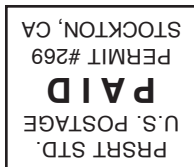
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### COMMISSIONERS

Joe Valente - Chairman  
Ernie Dosio - Vice Chairman  
Brad Kissler - Secretary  
Steve Borra - Treasurer  
Bob Lauchland, Brad Goehring,  
John Graffigna, Jon Wetmore,  
Kevin Delu

### ALTERNATES

Markus Bokisch, Bill Stokes,  
Robert Caffese, Kyle Lerner,  
Mike Manna, Matthew Perman,  
Kevin Phillips, John Duarte,  
Craig Ledbetter



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2545 W. TURNER RD.  
LODI, CA 95242

LODI  
WINEGRAPE  
COMMISSION



## STRATEGIC VISION GOALS OUTLINED

On March 23 participants in the Strategic Vision retreat reconvened to further refine goals and activities in support of the priorities outlined in February's meetings. Here is a synopsis of their ideas.

**PRIORITY 1:** Increase outlets and value for Lodi winegrapes (assigned to Grower Marketing Committee)

The primary goal here is to bring wineries and growers together on a more frequent basis, such as at our annual sporting clays shoot, as well as reaching out to wineries to help launch Lodi labeled wines, and involving brokers more in the district to educate growers about opening new markets for Lodi winegrapes.

Other goals include building awareness of Lodi at the consumer level through advertising, public relations, sponsoring special events and through the Wine & Visitor Center.

**PRIORITY 2:** Brand Lodi wines (Grower & Winery Marketing Committees)

Here the goal is to craft a Lodi wine brand story to differentiate our region from others, emphasizing that Lodi is the "real thing" ("real wines, real people, and a really good time!") and touting our multi-generational farms, a feature that distinguishes us and offers authenticity to consumers.

We will also be engaging in some baseline market research to measure awareness of Lodi in the market today, so that as we engage in our promotional activities we can track our progress. Social media will be incorporated into our communications strategy to engage the ever-important millennial generation. Marketing seminars will be conducted to help smaller wineries grow their brands. We will partner with other community organizations to develop the Lodi wine brand, working with the Chamber of Commerce, Conference and Visitor Bureau, and the News Sentinel to get the word out.

Lastly, the winery promotion efforts will be formalized

under the Commission in a new, self-funding way through winery contributions and special event revenues.

**PRIORITY 3:** Communication/cohesiveness of wine-grape community stakeholders (Education/Communications Committee)

A fundamental goal to achieve here is to get growers to speak with one voice regarding costs, and to educate growers on required minimum per acre revenue to generate a satisfactory return on investment. We will also build our communications outreach through the Neighborhood Grower Meetings, increase the frequency of our newsletter mailings, one-on-one meetings with growers, and by building our list of grower email addresses.

**PRIORITY 4:** Make Lodi a stronger wine tourist destination (Winery Marketing Committee)

This will involve strengthening existing events, and creating new, smaller events on a more frequent basis. We will work with the Lodi Chamber of Commerce and the Visit Lodi Conference and Visitor Bureau closely to unify messaging and leverage greater outreach. The Winery Marketing Committee will sponsor more tasting events in the Bay Area and Southern California.

**PRIORITY 5:** Continuous education/research to advance the vision (Education Committee & Research Committee)

Goals include educating growers on how wine is sold, and to better understand the wines we are competing with from around the world. We will get wine distributors and marketers to provide seminars to grower groups at existing events. Provide continuous education on quality and on best management practices to generate economic returns. Continue to grow the Sustainability and Lodi Rules Programs, and to support valuable local viticultural research.

## LODI WINEGRAPE COMMISSION COMMITTEE ASSIGNMENTS

Below are the current Winegrape Commission committee assignments. Please feel free to share your thoughts with any of the committee members on how the Commission and its respective committees can better serve your interests.

### Budget & Finance Committee

Steve Borra, Borra Vineyards – Chairman  
John Graffigna, Graffigna Fruit Company  
Bill Stokes, Stokes Farms  
Mike Manna, Manna Ranch, Inc.

### Education Committee

Paul Verdegaal, UC Farm Advisor – Chairman  
Aaron Lange, Langetwins  
Ben Kolber, K&G Vineyard Management  
Gary Patterson, Nestor Enterprises  
Amy Blagg, LDGGA Executive Director  
Mike Matson, Vino Con Brio Winery  
Bob Lauchland, JR Lauchland & Sons

### Executive Committee

Joe Valente, Kautz Farms - Chairman  
Ernie Dosio, Pacific Agrilands - Vice Chairman  
Brad Kissler, Mohr-Fry Ranches – Secretary  
Steve Borra, Borra Vineyards – Treasurer

### Grower Marketing Committee

Richard Lauchland, JR Lauchland & Sons - Chairman  
Joe Berghold, Berghold Vineyards  
Kendra Lange, Langetwins  
Craig Ledbetter, Vino Farms  
Matt Perman, Perman Bros.  
Kyle Lerner, Mettler & Son  
Rodney Schatz, R&G Schatz Farms

### Research Committee

Stanton Lange, Lange Vineyards – Chairman  
Chris Storm, Vino Farms  
Lee Caton, Nestor Enterprises  
Brad Goehring, Goehring Vineyards  
Stan Grant, Progressive Viticulture  
Mike Harder, Vino Farms  
Cindy Johnson, Fetzer Vineyards  
Frank Olagaray, Olagaray Bros.  
Steve Quashnick, Wilbur Ellis  
Charlie Starr Jr., Langetwins  
Bill Thomas, Mid-Valley Ag  
Joe Valente, Kautz Farms  
Paul Verdegaal, UC Farm Advisor

### Winery Marketing Committee

Charlene Lange, Langetwins – Chairman  
Jorja Lerner, Harney Lane Winery  
Dave Phillips, Michael-David Winery  
Steve Felten, Klinker Brick  
Pam Graviet, Ironstone Vineyards  
Marty Peterson, Onus Vineyards  
Vic Mettler, Vicarmont  
Sue Ripken, Ripken Vineyards  
Liz Bokisch, Bokisch Vineyards  
Nancy Beckman, Visit Lodi, (Ex Officio)  
Pat Patrick, Lodi Chamber, (Ex Officio)

## LWC NEWS BRIEFS

- ✎ The nomination papers for the 2010-11 board election were mailed to all growers on April 15th. Anyone intending to run for the board must return their nomination papers to the Commission office by May 17th. We would like to thank Brad Goehring, who is terming out, for the past 8 years of service to the Winegrape Commission. The following commissioners and alternates are up for reelection: Steve Borra, Joe Valente, Ernie Dosio, Brad Kissler, Robert Caffese, Craig Ledbetter, Kyle Lerner, Matt Perman, and Kevin Phillips
- ✎ The Brotherhood of the Knights of the Vine held their national board meeting in Lodi the weekend of April 24-25, 2010. Several social activities were planned at local wineries over the course of the weekend.
- ✎ The Commission, along with several local wineries, attended the kickoff dinner for 2010 California Mille in San Francisco on April 25, 2010. The CA Millie ([www.californiamille.com](http://www.californiamille.com)) is a 1,000 mile week-long road rally across Northern California featuring historic racing cars. Lodi is the exclusive wine sponsor for the event, and Lodi wines will featured at each evening's event throughout the week. The CA Mille came to Lodi in 2008 and we're working on bringing them back through Lodi in 2011 for a two night stay.
- ✎ Mark Chandler and Pat Patrick of the Lodi Chamber of Commerce made a presentation to the county Board of Supervisors on April 27th seeking their support for agri-tourism development in San Joaquin County.
- ✎ The Grower Marketing Committee has held a series of constructive meetings building on the efforts of the Commission's strategic planning. On April 19th the committee hosted Christian Miller of Wine Opinions for a presentation on the state of the wine market, where Lodi fits, and potential strategies for elevating the region. Wine Opinions conducts industry research specifically at high frequency involved core wine consumers, and can help guide Lodi's efforts to create a greater awareness among this highly influential group.
- ✎ The Committee has also been discussing bolstering the Commission's social media marketing efforts, and is looking at contracting individuals to create content to support those endeavors. The Commission created a Lodi Wine fan page on Facebook in late October that currently has nearly 2,200 fans and continues to grow on a daily basis. Check it out!
- ✎ The Commission will once again be featuring Lodi Rules for Sustainable Winegrowing certified wines at the 9th annual Cooking for Solutions event at the Monterey Bay Aquarium May 21-22. This culinary event brings together celebrity chefs, regional restaurants, and California wine to support the Aquarium's Seafood Watch program. The Commission, because of our industry leading efforts in sustainability, has been a participant since the first year.
- ✎ Mark Chandler and eight local wineries will head to the Pacific Club in Newport Beach on May 21 for an exclusive wine and food pairing event for Lodi wines. Each winery is sending two wines for the Club chefs to create delicious wine and food combinations. This event is a great opportunity to build awareness for Lodi wines among highly involved wine and food consumers in the Southern California market.

FINANCIAL STATEMENTS - LODI WINEGRAPE COMMISSION CRUSH DISTRICT #11 LOCAL COMMISSION - YEARS ENDED JUNE 30, 2008 AND 2009

BALANCE SHEET

ASSETS	2009	2008
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$772,164	\$728,051
Accounts receivable	72,778	128,911
Grants receivable	5,900	19,337
Prepaid expenses	<u>7,136</u>	<u>14,038</u>
Total current assets	<b><u>857,978</u></b>	<b><u>890,337</u></b>
<b>CAPITAL ASSETS</b>		
Office equipment	\$112,715	\$98,120
Promotional display	7,918	7,918
Vehicles	57,016	57,016
Wine trail signage	38,701	38,701
	216,350	201,755
Less acc. depreciation	<u>(164,856)</u>	<u>(156,734)</u>
Total capital assets	51,494	45,021
Total assets	<b><u>\$909,472</u></b>	<b><u>\$935,358</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$12,417	\$12,743
Accrued expenses	35,153	25,168
Current maturities of LT debt	-	7,243
Research contracts payable	<u>30,371</u>	-
Total current liabilities	<b><u>77,941</u></b>	<b><u>45,154</u></b>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	51,494	37,778
Unrestricted-undesignated	<u>613,938</u>	<u>723,700</u>
Unrestricted-designated LWC	<u>166,099</u>	<u>128,726</u>
Total net assets	<b><u>831,531</u></b>	<b><u>890,204</u></b>
Total liabilities and net assets	<b><u>\$909,472</u></b>	<b><u>\$935,358</u></b>

<b>NONOPERATING REVENUES (EXPENSES)</b>		
Loss on disposal of assets	(4,700)	(959)
Interest income	6,803	13,753
Interest expense	<u>(30)</u>	<u>(552)</u>
Total nonoperating revenue (expenses)	<b><u>2,073</u></b>	<b><u>12,242</u></b>
<b>CHANGE IN NET ASSETS</b>		
	(58,673)	24,429
<b>NET ASSETS, BEGINNING OF YEAR</b>		
	<u>890,204</u>	<u>865,775</u>
<b>NET ASSETS, END OF YEAR</b>		
	<b><u>\$831,531</u></b>	<b><u>\$890,204</u></b>

STATEMENT OF CASH FLOW

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash rcvd from growers	\$1,009,856	\$1,010,097
Cash rcvd from other operating sources	321,895	247,392
Cash rcvd from granting agencies	13,437	31,521
Cash paid to suppliers/contributors	(803,761)	(796,327)
Cash paid to employees	(469,752)	(446,183)
Net cash used in operating activities	<b><u>71,675</u></b>	<b><u>46,500</u></b>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(27,092)	(6,928)
Principal payments on LT debt	(7,243)	(8,621)
Interest paid on LT debt	<u>(30)</u>	<u>(552)</u>
Net cash used in capital and related financing activities	<b><u>(34,365)</u></b>	<b><u>(16,101)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	6,803	13,753
NET (decrease) INCREASE IN CASH & CASH EQUIVALENTS	44,113	44,152

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

OPERATING REVENUES	2009	2008
Assessment income	\$1,009,856	\$1,010,097
Lodi Wine Country event income	196,962	176,998
Grants	46,190	52,010
Other	<u>23,160</u>	<u>8,084</u>
Total operating revenues	<b><u>1,276,168</u></b>	<b><u>1,247,189</u></b>
<b>OPERATING EXPENSES</b>		
Salaries, wages and consulting	476,438	446,183
Marketing and promotion	273,701	307,899
Employee benefits	89,213	85,759
Contributions-CWEF dba LWVC	100,000	85,000
Rent	60,069	57,656
California Department of Food & Agriculture (CDFA)	43,422	7,433
Research	90,762	57,182
Office expense	38,703	41,008
Travel and entertainment	25,273	22,985
Other	24,297	14,380
Insurance	16,833	18,788
Depreciation	15,919	16,446
Dues and subscriptions	16,126	16,129
Equip maintenance and rental	14,422	16,088
Professional fees	24,053	15,578
Special events	12,642	9,358
Telephone	6,747	6,664
Newsletters, directory and materials	4,327	2,659
Grower Meetings	2,962	3,446
Staff education	550	-
Uncollected LWC fees	455	4,361
Total operating expense	<u>1,336,914</u>	<u>1,235,002</u>
Operating income (loss)	<b><u>(60,746)</u></b>	<b><u>12,187</u></b>

<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>		
	<u>\$728,051</u>	<u>\$683,899</u>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>		
	<u>\$772,164</u>	<u>\$728,051</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
OPERATING INCOME (LOSS)	\$(60,746)	\$12,187
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	15,919	16,446
Decrease (increase) in:		
Accounts receivable	56,133	(37,349)
Grants receivable	13,437	83,531
Prepaid expenses	6,902	7,543
Increase (decrease) in:		
Accounts payable	(326)	(27,662)
Accrued expenses	9,985	1,732
Research contracts payable	<u>30,371</u>	<u>(9,928)</u>
NET CASH USED IN OPERATING ACTIVITIES	<b><u>\$71,675</u></b>	<b><u>\$46,500</u></b>