Dear Washington State Wine Industry Colleagues and Friends,

Fiscal Year 2018 (July 2017 - June 2018) was one of the busiest and most successful yet for Washington State Wine. From hosting the entire staff of Wine Enthusiast Magazine for their annual conference, an unprecedented number of in-bound trade and media tours, and growth both domestically and internationally - excitement for Washington State Wine has never been higher.

Through maintaining and continuously improving outreach programs along with local, national and international marketing programs, we are ensuring that we'll have something to raise our glasses to now and for years to come. We launched a new strategic plan this year, focused on targeting media, trade and core consumers. Take a dive in and you will find all the details about Washington State Wine, including how we are funded, state wine stats and facts and an overview of our strategic plan.

If you don’t have time to check out the whole report, take a look at some highlights from FY18:

**Communications**

Articles produced with the help of the Washington State Wine communications team had a combined potential reach of 191.76 million.

**Marketing**

Washington State Wine coordinated, managed and executed two wine month promotions and multiple in-bound tours, equating to millions of impressions and sales.

**Research**

The Washington Advancements in Viticulture and Enology (WAVE) seminars expanded to nearly sold out audiences throughout multiple locations in FY18.

Together as an industry, and through working with our industry partners, we are able to promote all that Washington State Wine has to offer. We here at Washington State Wine value the shared vision of continued success, and we know our growth won’t slow down. We couldn’t promote our industry without your extraordinary work in the vineyards, the tasting rooms and the wineries statewide.

We are proud to support all wineries and growers in the state, and look forward to what the future holds for Washington State Wine. For more information and to stay up to date on all activities, events and general knowledge, please visit www.washingtonwine.org. We wish you all the best in your endeavors, both now and in the years to come.

Cheers,

Steve Warner
President & CEO
Washington State Wine
Key Events and Programs
Target Audience

Washington State Wine implemented new five-year strategic plan in FY18 to guide all marketing programs and events. The plan is laser focused on influencing media, trade and core consumers.

To track success, we look at overall category awareness and demand, constituent engagement, increased economic impact and momentum for the research program.

The full strategic plan is available on the Washington State Wine website.

Communications Highlights

IN-BOUND MEDIA HOSTING

52
The number of Wine Enthusiast Magazine staff members who attended the retreat in Washington State in July 2017. 80+ wineries were involved with 160+ wines tasted.

“...the positive impressions we will take away from the state will certainly last a life time.”
-Adam Strum, Chairman, Wine Enthusiast Magazine

7
The number of high-level media brought into Washington State for Taste Washington, six of whom went on an in-depth tour of wine country. Outlets represented include Forbes, VOGUE, Texas Monthly & Beverage Media.

6
The number of high-level media brought in for the cross-border media tour, co-hosted by the Oregon Wine Board and created to celebrate our cross-border AVAs.

64
The number of total wineries engaged between the two major in-bound media tours.

OVERALL RESULTS

191.76 Million
The potential reach as a result of articles produced with the help of the Washington State Wine communications team in FY18. This also includes outreach work from our PR contractors in Austin, New York & the bay area.

$1.77 Million
The traditional advertising value equivalence of the published articles that were a direct result of efforts from the WSW communications team.

SOCIAL MEDIA HIGHLIGHTS

- Broke 100K followers on Facebook.
- Reached 14K followers on Twitter & Instagram.
- Generated 5 million+ impressions and 82K engagements.
- @WA_State_Wine climbed to no. 6 ranking of ‘top social media presence’ among wine regions, surpassing Wines of France, Napa Valley Vintners and many others.
Marketing Highlights - Key Programs

WASHINGTON STATE WINE MONTH
August 2017
The annual month-long celebration of Washington State Wine returned with a major increase in digital and social presence.

13 Million
The number of digital impressions throughout campaign. Page views on the dedicated wine month website saw an increase of 59% year over year.

TASTE WASHINGTON WINE MONTH
March 2018
The annual month-long celebration of Washington State Wine returned bigger and better than ever, with a new energy and focus on “Sip Local.”

1.8 Million
The number of digital advertising impressions throughout the campaign.

Point-of-Sale Materials were sent to:
-10 states
-60+ restaurants
-60+ hotels
-240+ wineries

TASTE WASHINGTON WEEKEND
March 2018
Taste Washington reported its highest overall attendance in 2018, including a sold-out crowd at the Grand Tasting.

436
The number of attendees at the Taste Washington seminar series, out of 440 total seats available.

39
The number of local volunteer sommeliers at the seminar who were exposed to Washington State Wine.

235
The number of Washington State wineries and vineyard participants during the grand tasting

6,806
The number of core consumers, trade and media who attended the Taste Washington grand tasting, up more than 10% from 2017.
Marketing Highlights - National Programs

WASHINGTON STATE WINE ROAD TRIP - Sept. 2017

• 10th anniversary trip!
• Hosted 57 influential trade attendees from 23 states.
• 90% of guests ranked it as “Excellent” compared to similar programs offered worldwide.
• 100% of guests plan more promotion of Washington State Wine upon their return.

“The culture is collaborative and passionate. The industry is loaded with talented people working with grapes planted in a unique and special environment to produce wines of exceptional quality. I am eager to do my part to share these wines and the culture they are born from with my customers and colleagues.”
-Chad Crosby, Wine Manager, Binny’s, Skokie, IL

INFLUENCER ACTIVATIONS

Washington State Wine executed a four-city Masterclass series with the Guild of Sommeliers, educating a total of 160 sommeliers.

Washington State Wine sponsored GuildSomm events in San Francisco and Chicago, featuring 32 wines and 340 high level trade guests between the two cities.

“The ability to interact with these important decision makers will significantly increase our placement of wines.”
-Marty Clubb, L’Ecole No 41

CURRENT TARGET MARKET - AUSTIN, TX
Trade & Media Tasting – January 2018

The Washington State Wine team put on a trade & media tasting and executed a dedicated advertising campaign during the first year of our target market campaign.

175 The number of prominent trade and media in attendance during the Austin Trade & Media tasting and seminar.

50 The number of Washington State Wineries in attendance at the trade and media tasting.

International Highlights*

Washington State Wine ran more than 25 programs and events internationally in FY18 with a focus on the following top markets: Canada, South Korea, Germany, Japan, Sweden, Denmark, China, United Kingdom.

50 Number of wineries who reported international sales, up from 36 in 2017.

70% Growth in Target Markets compared to 9% in non-targeted markets since adopting strategic plan in FY15.

$38.5 million Total sales of Washington State Wine across 100+ countries in FY18.

18 Record number of wineries who traveled internationally for their first time with Washington State Wine.

* Our international programs are funded by United States Department of Agriculture (USDA) grants, not by your assessment dollars.

Research Highlights

Washington State Wine’s research program is guided by the strategic plan that was developed with broad industry input. The focus in the third year was to expand industry involvement and engagement.

$1 Million, again

For the second year, the Washington State Wine Board approved more than $1 million in V&E research grants. These grants fund research that benefit wineries and grape growers of every size.

150 Number of wineries and growers that attended the three WAVE research seminars (Washington Advancements in Viticulture and Enology).

22 Number of research stories and news releases published by Washington State Wine in trade publications.

85% Percentage of industry who responded via survey that they are aware of WSW’s research program, up 15% research survey conducted in 2016.
About Washington State Wine

On behalf of the State of Washington and its wineries and growers, the mission of Washington State Wine is to raise awareness and demand for Washington State wine through marketing and education while supporting viticulture and enology research to drive industry growth.

The Washington State Wine Commission represents every licensed winery and every wine grape grower in Washington State. Guided by an appointed board, the Commission provides a marketing platform to raise positive awareness of the Washington State wine industry and generate greater demand for its wines. Funded almost entirely by the industry—through assessments based on grape and wine sales—the Commission is a state government agency, established by the legislature in 1987. The Washington State Wine Board is made up of growers, producers, a WSDA representative and a distributor.

FY 2018 WSWC Board Members  
Effective July 1, 2018

<table>
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<th>Term Through</th>
<th>Grower</th>
<th>Less than 50 acres grapes in production</th>
<th>More than 50 acres grapes in production</th>
<th>Produce and sell their own wine</th>
<th>Wine Producer</th>
<th>Produce less than 25K gallons annually</th>
<th>Produce more than 100K gallons annually</th>
<th>Produce wine from their own grapes</th>
<th>Western WA</th>
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<th>WSDA Director</th>
<th>Non-vinifera wine producer</th>
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*In July 2018, the board welcomed new board members Kari Leitch, Sadie Drury, & Shylah Alfonso.
Revenue Sources
Washington State Wine is required to collect assessments from both wineries and growers to fund its activities. These two assessments are collected separately. The first—the assessment on all licensed wineries in Washington State—is collected monthly by the Washington State Liquor and Cannabis Board (WSLCB) through wineries’ monthly reports to the WSLCB, and then a small percentage of which is forwarded to Washington State Wine. The second—the assessment on all growers of vinifera wine grapes in Washington State—is collected annually by Washington State Wine itself. Both wineries and growers contribute to the marketing budget; wineries contribute $0.06 per gallon or 1.2 cents per bottle and growers contribute $10 per ton of grapes. Wineries also contribute an additional $0.004 per bottle and growers contribute $2.00 per ton to support funding of the WSU Wine Science Center.

Economic Impact Report Highlights
The impact the wine industry has made in not only Washington State, but nationally, is substantial. Community Attributes estimated in 2017 that the full Washington State wine industry had an economic impact resulting in $6.7 billion, including about $2.1 billion in sales. The industry is projected to have 5–9% growth through 2019.

Market Statistics
Washington State has experienced unprecedented growth, and is the second largest wine-producing region in the United States. In addition to our statewide industry growth, wine consumption in the United States is increasing dramatically, and now the U.S. ranks first as the world’s top wine-consuming nation by volume. This trend serves and provides excellent opportunity for continued growth and the promotion of Washington State Wine.

Tourism continues to boom in Washington State. In 2014, Washington State had more than 2.1 million winery visitors, resulting in $193.1 million in tourism spending.
Activity & Events Calendar
July 1, 2018-June 30, 2019

JULY
Imbibe Live (London)
Japan Harvest Tour (WA Wine Country)
WAVEx (Woodinville, WA)
Red White & Brew (Seattle, WA)

AUGUST
Washington State Wine Month
Texsom (Dallas, TX)
Auction of Washington Wines (Woodinville, WA)

SEPTEMBER
Drink Local Campaign kicks off (Washington State)
Washington State Wine Road Trip (WA Wine Country)
Feast Portland (Portland, OR)

OCTOBER
Cowabunga (Seattle, WA)
New York Wine Experience (New York)

NOVEMBER
Cornucopia (Whistler, BC)
SommCon (San Diego, CA)

DECEMBER
Mexico Inbound trade tour (WA Wine Country)
New York Media Event (New York)

JANUARY
GuildSomm Holiday Trade Event, Seattle
Research Review (Prosser)
Unified Wine & Grape Symposium (Sacramento, CA)
Austin trade & media seminar (Austin, TX)
AsiaTour (Osaka, Tokyo, Seoul)
International Masters of Wine hosting (Woodinville, WA)

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Activity & Events Calendar

MARCH
Taste Washington Wine Month
EuroTour (London, Germany)
ProWein (Dusseldorf, Germany)
Taste Washington Media Tour (WA Wine Country)
Taste Washington Inbound Canadian Tour (WA Wine Country)
The Taste Washington on the Farm (Seattle, WA)
The New Vintage (Seattle, WA)
Taste Washington Grand Tasting (Seattle, WA)
WAVE Research Seminar (Columbia Gorge AVA)

APRIL
Austin Food & Wine Festival (Austin, TX)
WAVE Research Seminar (Prosser, WA)

MAY
Hot Luck (Austin, TX)
Cross-border AVA media tour (OR/WA wine countries)

JUNE
UK Importer Inbound Mission (WA Wine Country)

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