Dear Washington State Wine Industry Colleagues and Friends,

It’s hard to believe another successful year has come to an end. With the inaugural Washington Advancement in Viticulture & Enology conference (WAVE), our support of education, research and the development of our industry is stronger than ever. Continued success in our newest target market, San Diego, and the largest contingency of both wineries and guests at Taste Washington call for celebrations. Through maintaining and continuously improving outreach programs along with local, national and international marketing programs, we are ensuring that we’ll have reasons to raise our glasses for years to come.

In 2012, we implemented a board-approved five-year strategic plan focusing on influencing key members of the trade and media, and we have strived to focus our efforts on those influencers. 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 dive into the whole report, take a look at some highlights from FY16:

1. Website redesign. The Washington State Wine website was redesigned and launched this spring, allowing for easier access to events, facts, resources and enhanced winery profiles.

2. 65+ The number of marketing programs produced by Washington State Wine in local, national and international markets.

3. 110,000 The number of Washington State Wine tour guides distributed locally, nationally and internationally throughout the year. The official Tour Guide features every licensed winery within Washington State.

4. 4.01 We’ve maintained our goal of reaching a baseline index score of 4.0 in our annual industry unity survey. This is on a scale of 1-5, with 5 being excellent industry unity.

5. New target market campaign was completed. Washington State Wine moved into its final target market in the current strategic plan, San Diego.

Our team is continuously working to achieve success through relationships with our industry partners. Together as an industry, we are able to promote all that Washington State Wine has to offer. Our industry has experienced unprecedented growth and is only going up from here. We here at Washington State Wine value the shared vision of continued success in years to come, and we know our growth won’t slow down. The promotion of our industry couldn’t happen without your extraordinary work in the vineyards, the tasting rooms and the wineries statewide.

Washington State Wine is proud to support all wineries and growers in the state, and we look forward to what the future holds for the world’s most exciting wine region. For more information and to stay up-to-date on all activities, events and general knowledge, please visit our completely renovated website, www.washingtonwine.org, to learn more and get involved. 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
Fiscal Year 2016 in Review

Target Audience
Washington State Wine implemented a five-year strategic plan in FY13, and has continued to use that plan as a guideline for all marketing programs and events. The plan, which focuses on influential trade and media, is a shift from previous consumer-driven events. Some highlights from fiscal year 2016 reflect the focus:

• The average rate of recommendations of Washington State wine by sommelier and retail sales professionals (RSP) remained steady and above our goal in our target markets during FY16. Sommelier and RSP recommendations currently account for 15.8%. This percentage exceeds an over-arching goal of increasing recommendations to 15%, and is a very significant accomplishment when considering Washington State produces less than 1% of wine globally, and currently maintains less than a 4% market share. (Source: MSS Market Research in Minneapolis, New York, San Francisco, San Diego and Washington State).

If you would like more details, please refer to Washington State Wine’s Strategic Plan for fiscal years 2013–2017.

Local Market Overview

Washington State Wine Month
August 2015
• Website visits at www.washingtonwine.org/winemonth increased 76% over 2014
• 13,707,642 gross impressions though print, online, TV, radio and social media
• There was a 42% increase of Washington State Wine Month focused promotions in retail outlets nationwide

The New Vintage
March 2016
• 100% of winery participants felt value in attending The New Vintage
• Four celebrity chefs at the luxurious Motif Hotel
• Winery participation was full, and increased 20% from 2015

Taste Washington Wine Month Promotion – March 2016
• 234% increase in winery participation during this year’s campaign over 2015
• 7 national partners
• 2,033,468 gross social media impressions across Facebook, Twitter and Instagram during the month

Taste Washington Weekend
March 2016
• The largest contingent of winery participants ever, at 237
• 5,389 core consumers, trade and media in attendance—the highest ever for the event, and a 4% increase over 2015

National Market Overview

Washington State Wine Road Trip
September 2015
• Eighth year with continued success
• Hosted over 50 influential trade attendees
• More than 789,000 social media impressions were made throughout the trip, with engagement up 59% over 2014

Current Target Market:
San Diego – Spring 2016
• 100% of attendees who attended felt more confident selling, recommending and buying Washington State Wine
• 350+ trade and media attended one or both days of the tastings in San Diego
• 54 Washington State wineries participated
• 2 educational seminars were held for over 80 trade and media attendees, and featured 12 Washington State wineries

San Francisco Trade & Media Tasting – Spring 2016
• Over 360 prominent members of the trade & media were in attendance, including journalists from Food & Wine, Wall Street Journal, Wine Enthusiast, USA Today and Time Magazine
• The event was completely full, with 79 winery participants in attendance, up 5% over the participation goal
• 100% of winery attendees were satisfied with the high level of trade and media in attendance during the tasting

International Market Overview*

Japan: Harvest Tour in Washington State – August 2015
Copenhagen: Tasting – March 2016
Dusseldorf: ProWein – March 2016
China: ProWein – November 2015

• Hosted more than 50 international trade and media members for a road trip throughout Washington wine country.
• Our international programs are funded by United States Department of Agriculture (USDA) grants, not by your assessment dollars.

Research Overview
• First Annual Washington Advancements in Viticulture and Enology held at the WSU Wine Science center, with 80 winemakers and growers in attendance.
• Implementation of a research-focused section of the Washington State Wine website, featuring research reports, involvement opportunities, news and more.
• More than $5.5 million of the annual budget is spent on research, including the industry’s wine science center commitment.
• First annual research survey was disseminated to the industry, which resulted in an industry lead list of research priorities to drive this program in the coming fiscal year.
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, the Commission provides a marketing platform to raise positive awareness of the Washington State wine industry and generate greater demand for its wines.

The Washington State Wine 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.

Financials

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—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 $0.055 per gallon or 1.2 cents per bottle and growers contribute $0.30 per ton of grapes. Winemakers 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. The Economic Impact Study reported by Community Attributes Inc. in 2015 stated that the full Washington State wine industry had an economic impact resulting in $4.8 billion in 2013, which is a 39% increase from $3.3 billion in 2009. The figure to the right depicts the inputs considered in assessing economic impact. About $1.5 billion worth of Washington State wine was sold in 2013, which is again a 39% increase in comparison to $1 billion in 2009. In addition to this recent growth in Washington State wine, the industry is projected to have 5-9% growth through 2019.

Wine grape acreage: 50,000+* Wine production: 14.8 million cases Wineries: 900+ Wine grape growers: 350+ Varieties produced: 40+*

*Many regional programs are funded through grants. ** Our international programs are funded by USDA grants.* Many regional programs are funded through grants. ** Our international programs are funded by USDA grants.
Activity & Events Calendar
July 1, 2016–June 30, 2017

...Continued

MARCH
Taste Washington Canadian Trade/Media Tour (WA Wine Country)
Taste Washington on the Farm (Seattle, WA)
The New Vintage (Seattle, WA)
Taste Washington (Seattle, WA)

APRIL
Washington State Wine Board Meeting (TBD)
Denmark Inbound Tour (Denmark)
Institute of Masters of Wine Tour (WA Wine Country)

MAY
Washington State Wine Board Meeting (TBD)

JUNE
Washington State Wine Experience (WA Wine Country)
Washington State Wine Board Meeting (TBD)
Seattle Somm Summit (Seattle, WA)

Washington State Wine Staff

Heather Bradshaw
Communications Director
206.326.5752

Thomas Bobson
Marketing Manager
206.326.5757

Jayne Cain
Office Manager
206.326.5760

Cayenne Chonette
Finance and Human Resources Manager
206.326.5761

Leah Christensen
Marketing Manager
206.326.5766

Averyl Dunn
Communications Manager
206.326.5750

David Floherty
Marketing Director
206.326.5771

Melissa Hansen
Research Program Manager
206.669.7127

Stephanie Lyon
Communications Manager
206.326.5764

Doug Marshall
International Marketing Manager
206.326.5753

Chris Stone
Vice President of Marketing and Communications
206.326.5753

Steve Warner
President
206.326.5759