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Executive Summary

The Michigan Grape and Wine Industry Council, housed within the Michigan Department of Agriculture & Rural Development, were established by statute in 1985 to support the economic development of Michigan’s wine and wine grape-growing industry. This mission fits well within the Michigan Department of Agriculture & Rural Development’s role of supporting economic vitality in Michigan’s rural communities. A public-private partnership, the council encourages growth of the industry by promoting Michigan wines, funding research to support wine grape growing in Michigan, and sponsoring training opportunities for industry development. A research committee and a promotions committee, both of which include council members and non-members, convene periodically to address issues of interest to support and help inform council activities.

The Michigan grape and wine industry is optimistic about its ability to continue to grow in collaboration with the council. In 2010, ten new wineries opened, bringing the total to 81 that utilize predominantly Michigan-grown fruit on approximately 2,500 acres. Sales of Michigan wines in the state rose by 12 percent in 2010, while total wine sales increased by 4 percent. Michigan wine sales have outpaced total wine sales for the past ten years.¹

In April 2011, the council committed to completing a strategic planning process to set priorities and guide policy over the next five to ten years to move the industry forward. (The strategic plan was last updated in 2007.) To that end, the council hired Public Sector Consultants (PSC) for planning and research services to help develop a strategic plan and implementation guide. In collaboration with the council, PSC carried out the following tasks to complete the project:

- Conducted a best practices review across four states and one Canadian province
- Held in-depth interviews with key stakeholders
- Facilitated guided community conversations
- Administered an online questionnaire
- Developed a report of findings
- Held strategic planning sessions with the council in May and August 2011
- Finalized a report and developed a work plan matrix for implementation

The responses from council members and stakeholders, along with the best practices review, allowed PSC to summarize key themes, identify the major areas where council resources should be focused over the next five to ten years, and provide recommendations to aid the ongoing expansion of the industry. To achieve its mission to promote and encourage growth of Michigan’s grape and wine industry, PSC recommends that the council focus its resources in the following areas and conduct the activities described below.

Marketing, promotion, and branding

- Focus marketing efforts with tourism and “local food” initiatives by continuing to lead the Michigan Culinary Tourism Alliance; pursuing a partnership with Pure Michigan; partnering with other local food industries (such as beer and cheese); partnering with Travel Michigan to

develop an interactive tourism planner with a focus on wineries; and increasing use of social media outlets with these organizations.

- Promote Michigan wines within the national and international markets by hiring a consultant to facilitate a branding or imaging exercise to present a consistent message.
- Promote Michigan’s unique ability to produce a diversity of high-quality varietals.
- Strengthen marketing efforts to retailers, including restaurants, by broadening the promotion of Michigan Wine Month activities and expanding the Vintage Michigan Loyalty program.
- Continue organizing the annual wine competition to assist in promoting the industry.
- Continue producing the annual *Michigan Wine Country* magazine for wide dissemination.

**Research and education**

- Continue organizing the annual Grape and Wine Conference to provide educational opportunities for grape growers, wine makers, and winery owners, including an internal industry wine tasting for winemakers to obtain feedback from their peers.
- Expand viticulture and enology research with Michigan State University by seeking opportunities to collaborate with other research universities, and determining any new research needs of grape growers and winemakers.

**Industry communication and public policy outreach**

- Increase industry communications by enhancing the industry newsletter to provide in-depth educational articles and notify the industry of new wineries; enhancing website capabilities for industry communication and education (for example, showcase industry resources such as the online vineyard site selection tool and Business Start-up Guide); and increasing use of social media outlets.
- Work closely with the Michigan Wine Producers Association on legislative communication and outreach activities to cultivate support from consumers and state legislators for the Michigan wine industry.

**Business development**

- Promote available publications that provide guidelines or best practices for growing specific types of grapes in Michigan’s varied climate and geographies by broadly disseminating information about the online vineyard site selection tool, and encourage best practices for grape growing and wine making.
- Support demand for Michigan grapes by assessing the current acreage of wine grapes and identifying a new acreage target.
- Define which wineries should be represented by the council by reviewing the council’s eligibility requirements (currently 51 percent Michigan fruit included in wines) to determine whether this percentage should be increased, and encourage grape growers to sell high-quality grapes within the state to help meet existing and new demand.

**Funding**

- Explore the willingness of the industry to develop a self-assessment process to support additional coordinated statewide activities to drive continued growth of the Michigan wine industry.
While these recommendations focus on activities that the council could be doing, it should be noted that industry members have an ongoing individual and collective responsibility to move Michigan’s grape and wine industry forward. For example, there are continuing opportunities for collaboration among industry members to promote products and wine trails, interact with the Michigan Wine Producers Association, and participate in council activities and decision-making processes.
Summary of the Strategic Planning Process

INTRODUCTION

The Michigan Grape and Wine Industry Council was established within the Michigan Department of Agriculture\(^2\) in October 1985 through Public Act No. 123 of the Public Acts of 1985 (section 436.16b of the Michigan Compiled Laws). Funding for the council originates from non-retail license fees collected by the Michigan Liquor Control Commission. The mission of the ten-member council is to “provide for research, education and the promotion of the Michigan wine grape and wine industry, stimulating value-added, sustainable agriculture.” The council employs two full-time and one part-time staff members, based at the Michigan Department of Agriculture & Rural Development (MDARD) in Lansing, Michigan. Ongoing priorities of the council are encouraging growth of the industry, promoting Michigan wines, funding research to support wine grape growing in Michigan, and sponsoring training opportunities for industry development.

According to MDARD, new wineries are starting up in Michigan every year, wine grape acreage continues to grow, sales of Michigan wines are increasing, and the reputation of Michigan as a world-class wine region is gaining more national and international attention.\(^3\) In view of this growth, the council embarked on a strategic planning process in April 2011 to set priorities and guide policy over the next five to ten years. The 2011 Strategic Plan is the council’s fourth such plan, following plans issued in 1995, 2003, and 2007. To help develop the 2011 plan and implementation guide, the council hired Public Sector Consultants (PSC) for planning and research services. In collaboration with the council, PSC conducted a best practices review across four states and one Canadian province; held in-depth interviews with key stakeholders; facilitated guided community conversations; administered an online questionnaire; developed a report of findings; held strategic planning sessions with council in May and August 2011; and finalized a report and developed a work plan matrix.

Using the data gathered in the research tasks, PSC summarized its findings, which include a review of each task performed, along with a synthesis of common themes and ideas identified across each of these tasks. These findings include discussion about the implications of these findings on the strategic direction of the council over the next five to ten years. (See Appendix A for the Strategic Planning Report of Research Findings.) PSC met with the council at its scheduled meeting in May 2011 to present preliminary findings from the best practice research and key informant interviews, along with initial findings of common themes across these tasks and possible implications for strategic planning and the implementation plan. In August 2011, the council discussed the information gleaned from the strategic planning research (i.e., Strategic Planning Report of Findings) and possible activities for implementation. From that conversation, PSC developed this report of recommendations.

PSC also drafted a work plan matrix (see Appendix B) to build the framework for all of these activities, along with responsible entities and potential partners. The council’s subcommittees met in September 2011 to review the list of proposed activities, and discuss what led to PSC making

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\(^2\)In 2010, the Michigan Department of Agriculture became the Michigan Department of Agriculture & Rural Development, whose role expanded to include supporting economic vitality in Michigan’s rural communities.

these recommendations, thereby providing input to the committee chairs in preparation for the council’s next meeting.

PSC provided council members with an opportunity to seek any clarifications on the strategic planning process or the final report, and asked council members to rank the list of proposed activities in the draft work plan. The council’s staff will provide the council with budgetary information for discussion at the November 3, 2011 meeting, where the work plan for the 2012 fiscal year will be presented by staff for approval.

BEST PRACTICES REVIEW

With guidance from the council, PSC and a graduate student from Michigan State University conducted a best practices review of current industry research. The goals of this review were to obtain a sense of the current state of the industry, both in Michigan and in comparable states and a Canadian province. PSC’s research team gathered information to review the structure and functions of wine councils in Missouri, New York, Ontario, Virginia, and Washington. These locations were chosen because of their good reputation within the industry or similarities to Michigan’s industry.

The research team identified collaboration, marketing, and funding for research as common focus areas; and tourism, standards, and communication as unique focus areas that the Michigan Grape and Wine Industry Council considered for further discussion and inclusion in its updated strategic plan. Preliminary findings were shared with council members at the strategic planning session on May 12, 2011. Following this meeting additional research was conducted to address several comments offered by council members. The research team was asked to explore how other councils deal with issues such as effectiveness of relationships with lobbying organizations, quality standards and issues of compliance, strategic plans and metrics for growth, volume of out-of-state sales, and social media presence.

The best practice review sought to find promising practices from other states. At its August planning session, the council agreed to incorporate the following promising practices into its updated strategic plan:

- Build on current or engage in new partnerships to gain additional and leverage existing resources.
- Enhance marketing efforts by creating opportunities for innovative marketing initiatives that promote Michigan wines nationally.
- Enhance tourism efforts by utilizing technology to help consumers customize personal wine experiences.
- Improve communication to industry stakeholders and consumers through enhancements to the council’s website and newsletter, and increased use of social media outlets.
- Consider improving funding for research and education through self-assessments or partnerships with industry fund-raising efforts (for example, with the Michigan Wine Foundation).

IN-DEPTH INTERVIEWS

In April 2011 and in collaboration with the council, PSC developed a survey guide and conducted 13 in-depth interviews with council members and key industry stakeholders. In addition, PSC received four online responses to interview questions from individuals unable to conduct an
interview. Interviewees were asked predetermined questions to help assess the current state of the industry, the performance of the council, opportunities for prioritizing and enhancing council activities, and emerging issues and needs. (See page 31 of Appendix A for the Key Informant Interview Questions.)

Overall, the council members and key informants interviewed thought the Michigan Grape and Wine Industry Council and its staff are fulfilling the council’s mission. The activities mentioned most frequently throughout the key informant interviews and those agreed upon by council members for implementation, were:

- Educating potential investors to create a positive impact on the industry
- Nurturing current partnerships and building new partnerships to market products
- Developing a strategy to promote Michigan wines nationally and internationally

COMMUNITY CONVERSATIONS

PSC, with council input, also conducted four listening sessions with a broader group of stakeholders within the industry. The purpose of these listening sessions, called “community conversations,” was to gather additional feedback on strategic direction for the industry, while also obtaining input on how to prioritize and implement these strategies. Community conversations took place in Traverse City, Manistique, Lawrence, and Jackson. PSC invited those unable to attend a community conversation to complete an online questionnaire. A total of 24 individuals participated in the four community conversations, and 25 persons completed the online questionnaire. Participants included growers, winemakers and winery owners, and representatives from other sectors such as economic development, education (including Michigan State University and MSU-Extension), nonprofit organizations, tourism, and consumers. (See page 31 of Appendix A for the Key Informant Interview Questions.)

Community conversation participants, those who completed the online questionnaire, and council members agree that the following activities need to be incorporated into the updated strategic plan for implementation:

- Increasing the supply of grapes while maintaining quality to produce high-quality wines
- Enhancing relationships and building new partnerships to efficiently and effectively market Michigan wines
- Continuing support for research of varietals
- Enhancing educational activities for potential investors and those currently in the industry
- Monitoring regulatory issues that could inhibit future growth of the industry
Recommendations to the Council

The 2011 strategic planning effort of the Michigan Grape and Wine Industry Council focused largely on refinements to ongoing programs, with a new emphasis on prioritizing and implementing strategies to more reliably meet industry’s aspirations. Feedback from council members and industry stakeholders affirmed that the council’s leading programs (in the areas of promotion, education, and research) are generally perceived to be healthy, well administered, and creating value for intended beneficiaries. To achieve its mission to promote and encourage growth of Michigan’s grape and wine industry, PSC recommends that the council focus its resources on marketing, promotion, and branding; research; industry communication and public policy outreach; business development; and securing adequate funding. PSC also recommends conducting the activities described below within each area of focus.

MARKETING, PROMOTION, AND BRANDING

Historically, the council has worked to build consumer awareness and interest in Michigan wines by promoting new and existing wineries and wine trails; producing the annual *Michigan Wine Country* magazine; and organizing an annual wine competition. In 2010, the council received a grant from the United States Department of Agriculture (USDA) to develop a statewide culinary tourism plan. Tourism, including existing wine trails, is integral to the grape and wine industry. Moreover, the rapid expansion of locally grown food initiatives provides a significant opportunity to boost the recognition and sale of Michigan wines. The council should continue to lead the recently launched Michigan Culinary Tourism Alliance, in partnership with the Michigan Restaurant Association and Travel Michigan, which helps develop Michigan as a destination for food and beverage experiences. In addition, the current *Pure Michigan* tourism campaign could be an excellent platform to market the Michigan grape and wine industry. PSC believes that the council should continue to produce the *Michigan Wine Country* magazine and organize the annual grape and wine competition while building additional marketing efforts, as recommended below.

*PSC recommends that the council focus marketing efforts with tourism and “local food” initiatives by continuing to lead the Michigan Culinary Tourism Alliance; pursuing a partnership with Pure Michigan; partnering with other local food industries (such as beer or cheese); partnering with Travel Michigan to develop an interactive tourism planner with a focus on wineries; and increase its use of social media outlets in partnership with these organizations.*

A key ingredient to the ongoing expansion of the industry will be entry into new markets outside of Michigan and convincing consumers that Michigan offers a much wider selection than sweet white wines. Michigan currently faces competition from across the globe, but is uniquely positioned to take advantage of its superb growing conditions (microclimate conditions resulting from lake effect) as a marketing tool. For example, climatic conditions mirror some of the best grape growing regions in the world (for example, Bordeaux).

*PSC recommends that the council promote Michigan wines within the national and international markets by hiring a consultant to facilitate a branding or imaging exercise to present a consistent message.*

There appears to be a split among industry representatives about the council embracing a single grape variety to help brand and market Michigan wines. While promoting a single variety could help set Michigan apart from other regions of the world and offer a competitive edge, this
approach could risk creating “winners and losers” here at home and constrain Michigan’s burgeoning and diverse wine production and offerings that will fuel future industry growth. During its August 4 meeting, the council decided not to pursue promotion of a single varietal, but rather to promote the diversity of Michigan’s grape growing and wines.

_PSC agrees with the council’s decision not to promote a single varietal and recommends that it implement its decision to promote Michigan’s unique ability to produce a diversity of high-quality varietals._

A recurring theme from the key informant interviews and community conversations is that in order for Michigan’s wine industry to continue to expand, it must focus on retailers, including the restaurant sector. While recent legislation has enhanced marketing opportunities at grocers (for example, by legalizing wine tasting), working with distributors and procuring adequate product shelf space and positioning in stores remains a challenge. Moreover, restaurants that serve and promote Michigan wines provide an important venue to assist with broader marketing and branding efforts.

_PSC recommends that the council strengthen marketing efforts to retailers, including restaurants, by broadening the promotion of Michigan Wine Month activities and expanding the Vintage Michigan Loyalty program._

**RESEARCH AND EDUCATION**

There is recognition throughout the industry of the importance of the industry’s relationship with Michigan State University and the need for continued viticulture and enology research and education. One outcome of this partnership has been the annual Grape and Wine Conference. The conference provides educational opportunities for grape growers, wine makers, and winery owners, including an internal industry wine tasting for winemakers to obtain feedback from their peers.

_PSC recommends that the council expand viticulture and enology research activities with Michigan State University by seeking opportunities to collaborate with other research universities, and identify any new research needs of grape growers and winemakers._

**INDUSTRY COMMUNICATION AND PUBLIC POLICY OUTREACH**

The council releases a monthly newsletter and provides up-to-date information for growers and winemakers via its various resources online. Nevertheless, there is a need to improve and expand communication to the industry. Many of the suggestions that came out of the key informant interviews and community conversations (for example, resources for site suitability for grape growing and business models) are already available or the council is working to complete them. To this end, it was revealed that the council needs to communicate more broadly and frequently about the resources available to the industry.

_PSC recommends that the council enhance its newsletter to provide in-depth educational articles and notify the industry of new wineries; enhance website capabilities for industry communication and education by, for example, showcasing industry resources such as the online vineyard site selection tool and the Business Start-up Guide; and increase use of social media outlets._

Contending with legislative issues (such as lobbying, distribution, or challenges related to barriers to entry into the industry) consumes time and valuable energy. Since the council is prohibited by statute from lobbying, its members would benefit from a separate lobbying entity such as the
recently created Michigan Wine Producers Association. At the same time, the council could work closely with the industry association on communication and outreach activities to garner consumer support and provide education to legislators.

*PSC recommends that the council work closely with the Michigan Wine Producers Association on legislative communication and outreach activities to cultivate support from consumers and state legislators for the Michigan wine industry.*

**BUSINESS DEVELOPMENT**

The term “quality” emerged as a key driver of Michigan’s wine industry growth over the last two decades. While quality may be a subjective term, there was broad consensus that the overall measures of quality (including age, flavor, color, bouquet, blends, winery techniques, and consistency) have underpinned industry growth in Michigan. Conversely, there was a strong concern that this rapid pace of industry growth puts grape and wine quality at risk of diminishing due to competition in the marketplace. In other words, the pursuit of profit and survival may marginalize grape growing and winemaking processes and impinge on Michigan’s wine branding efforts overall. At its August 2011 meeting, the council decided not to pursue the development of quality standards for the supply of grape and wines produced in Michigan. Instead, the council will promote, more broadly, the industry guidelines and best practices currently available on the [www.michiganwines.com](http://www.michiganwines.com) website.

*PSC recommends that the council promote available publications that provide guidelines or best practices for growing specific types of grapes in Michigan’s varied climate and geographies.*

While not precise, estimates from 2006 would project Michigan’s wine-grape vineyards to be approximately 2,000–3,000 acres in 2010. While the council has previously established a goal for Michigan of 10,000 acres by 2024, this number appears to be based on limited information. Currently, growers and winemakers struggle to obtain a sufficient quantity of high-quality grapes in Michigan.

*PSC recommends that the council conduct research to assess current acreage to better understand Michigan’s wine grape growing potential, identify new acreage targets, and help foster investment to expand current acreage.*

Winery is eligible for recognition by the council (that is, promoted on the council’s website and acknowledged in *Michigan Wine Country* magazine) if their products include at least 51 percent Michigan fruit and they hold a current license with the Michigan Liquor Control Commission. Wines that contain at least 75 percent Michigan fruit are eligible for entry into competitions and are served where the council selects wine to be poured. Although there are some challenges (such as supply and demand of high-quality grapes), the council should consider raising the threshold level for eligibility for formal recognition by the council, to be more in line with eligibilities for competitions and events, and the federal labeling regulations (75 percent Michigan fruit).

*PSC recommends that the council review its eligibility standards to determine if it should be increased, and encourage grape growers to sell high-quality wine grapes within the state to help meet existing or new demand.*
FUNDING

The MGWIC is currently funded by non-retail license fees through the Michigan Liquor Control Commission. As a result, funding for council activities has remained relatively unchanged throughout its existence. Stakeholders recognize the efforts of the council and its staff to achieve, on a continual basis, what they aim to do within budgetary constraints. However, adequate funding for the council and its related activities (particularly research) was identified as an essential factor if Michigan would like to anticipate growing the industry at its current rate.

PSC recommends that the council explore the willingness of the industry to develop a self-assessment to support additional activities that drive continued growth of the Michigan wine industry while continuing to build public/private partnerships.
Appendices

Appendix A: *Strategic Planning Report of Research Findings*

Appendix B: Work Plan Matrix
Appendix A: Strategic Planning Report of Research Findings
Michigan Grape and Wine Industry Council

Strategic Planning Report of Research Findings

Revised October 2011

Prepared for
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Overview of Findings

Established by statute in 1985, the Michigan Grape and Wine Industry Council promotes Michigan’s wine and wine grape-growing industry by encouraging growth of the industry, funding research to support wine grape growing in Michigan, and sponsoring training opportunities for industry development. To support and help inform council activities, a research committee and a promotion’s committee, which includes both council members and non-members, convene periodically to address issues of interest.

The Michigan grape and wine industry is optimistic about its ability to continue to grow in collaboration with the council. In 2010, ten new wineries opened, bringing the total to 81 that utilize predominantly Michigan-grown fruit on approximately 2,000–3,000 acres. Sales of Michigan wines in the state rose 10 percent in 2009, while total wine sales increased 6 percent. Michigan wine sales have outpaced total wine sales for the past 10 years.1

In April 2011, the Council embarked on a strategic planning process to set priorities and guide policy over the next five to ten years—the strategic plan was last updated in 2007. To that end, the council hired Public Sector Consultants (PSC) for planning and research services to help develop a strategic plan and implementation guide. In collaboration with the council, PSC carried out the following tasks to complete the project:

- Conducted best practices review across four states and one province
- Held in-depth interviews with key stakeholders
- Facilitated guided community conversations
- Administered an online questionnaire
- Developed a report of findings
- Met with council in May and August 2011

The responses from council members and stakeholders, along with the best practices review, allowed PSC to summarize key themes and identify the major areas where council resources should be focused over the next five to ten years to aid the ongoing expansion of the industry. The following issues emerged throughout the information gathering process and are considered priority topics for action by the council:

- **Grape and wine quality**—The term “quality” emerged as a key driver of Michigan’s wine industry growth over the last two decades. While quality may be a subjective term, there was broad consensus that the overall measures of quality (including age, flavor, color, bouquet, blends, winery techniques, and consistency) have underpinned industry growth in Michigan. Conversely, there was a strong concern that this rapid pace of industry growth puts grape and wine quality at risk of diminishing due to competition in the marketplace. In other words, the pursuit of profit and survival may marginalize grape growing and winemaking processes and impinge on Michigan’s wine branding efforts overall. To help address this, the council should create a Michigan wine atlas and develop industry guidelines for growing specific types of grapes in Michigan’s varied climate and geographies and encourage best practices for growing and wine making.

- **Demand for Michigan grapes**—While not precise, estimates from 2006 place Michigan’s wine-grape vineyards at approximately 2,000–3,000 acres. While the council has previously

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established a goal for Michigan of 10,000 acres by 2024, this number appears to be based on limited information. Currently, growers and winemakers struggle to produce and obtain a sufficient quantity of high-quality grapes in Michigan’s cool climate conditions. The council should conduct research to assess current acreage, better understand Michigan’s wine grape growing potential, identify new acreage targets, and help foster investment to expand current acreage.

- **Promote “Michigan” wines**—Winery owners and managers are eligible for recognition by the council (that is, promoted on the council’s website and acknowledged in Wine Country magazine) if their products include at least 51 percent Michigan fruit and they hold a current license with the Michigan Liquor Control Commission; and wines that contain at least 75 percent Michigan fruit are eligible for entry into competitions. Although there are some challenges (such as supply and demand of high-quality grapes), the council should consider raising the threshold level for eligibility for formal recognition by the council, to be more in line with the competition eligibility and the federal labeling regulations (75 percent Michigan fruit).

- **Research and education**—There is recognition throughout the industry of the importance of the industry’s relationship with Michigan State University and the need for continued viticulture and enology research and education. The council should consider supporting additional research to develop economic models to share with potential and current growers and winemakers to help them be successful.

- **Tourism and linking with “locally grown” food initiatives**—Tourism, including existing wine trails, is integral to the grape and wine industry. Moreover, the rapid expansion of locally grown food initiatives provides a significant opportunity to boost the recognition and sale of Michigan wines. The current Pure Michigan tourism campaign could be an excellent platform to market the Michigan grape and wine industry. In addition, the council should continue to lead the recently launched Michigan Culinary Tourism Alliance, in partnership with the Michigan Restaurant Association and Travel Michigan, which helps develop Michigan as a destination for food and beverage experiences. The council can also consider enhancing their website to include an interactive tourism planner and building partnerships with other industries (for example, artisanal cheese) to market wines.

- **Regulatory issues**—Contending with legislative issues such as lobbying and distribution, as well as challenges related to barriers of entry into the industry, such as permits, assessing fees, and water usage, consumes time and valuable energy. Since the council is prohibited by statute from lobbying, its members would benefit from a separate lobbying entity such as the recently created Michigan Wine Producers Association. At the same time, the council could work closely with the industry association on communication and outreach activities to garner consumer support and provide education to legislators.

- **Tapping into national and international markets**—A key ingredient to the ongoing expansion of the industry will be entry into new markets outside of Michigan and convincing consumers that Michigan offers a much wider selection than sweet white wines. Michigan currently faces competition from across the globe, but is uniquely positioned to take advantage of its “45th parallel” status as a marketing tool, which is the latitude at which climatic conditions mirror some of the best grape growing regions in the world (e.g., Bordeaux).

- **Branding a single varietal**—There appears to be a split among industry representatives about the council embracing a single grape variety to help brand and market Michigan wines. On one hand, promoting a single variety may help set Michigan apart from other regions of the world and offer a competitive edge. On the other hand, this approach would risk creating “winners and losers” here at home and constrain Michigan’s burgeoning and diverse wine production and offerings that will fuel future industry growth.
- **Marketing to retailers including restaurants**—A recurring theme is that in order for Michigan’s wine industry to continue to expand, it must focus on retailers, including the restaurant sector. While recent legislation has enhanced marketing opportunities at grocers (e.g., legalizing wine tasting), working with distributors and procuring adequate product shelf space and positioning in stores remains a challenge. Moreover, restaurants that serve and promote Michigan wines provide an important venue to assist with broader marketing and branding efforts. One opportunity for the council is to engage restaurants in broader promotion of Michigan Wine Month. In addition, strong consideration should be taken of moving wine month to late summer or early fall.

- **Funding**—Adequate funding for the council and its related activities (particularly research) was identified as an essential factor if Michigan would like to anticipate growing the industry at its current rate. The council should consider exploring the willingness of industry to develop a self-assessment to fund research and marketing activities while continuing to build public/private partnerships to focus its resources most efficiently.

Feedback from council members and industry stakeholders affirmed that the council’s leading programs (in the areas of promotion, education, and research) are generally perceived to be healthy, well administered, and creating value for intended beneficiaries. The 2011 strategic planning effort was focused largely on refinements to ongoing programs, with a particular emphasis on prioritizing and implementing strategies to more reliably meet industry’s aspirations for these investments.
The Michigan Grape and Wine Industry Council was established within the Michigan Department of Agriculture in October 1985 through Public Act No. 123 of the Public Acts of 1985 (section 436.16b of the Michigan Complied Laws). Funding for the council originates from non-retail license fees collected by the Michigan Liquor Control Commission. The mission of the ten-member council is to “provide for research, education and the promotion of the Michigan wine grape and wine industry, stimulating value-added, sustainable agriculture.” The Council employs two full-time and one part-time staff, based at the Michigan Department of Agriculture and Rural Development in Lansing, Michigan. Ongoing priorities of the council are encouraging growth of the industry, promoting Michigan wines, funding research to support wine grape growing in Michigan, and sponsoring training opportunities for industry development.

New wineries are starting up in Michigan every year, wine grape acreage continues to grow, sales of Michigan wines are increasing, and the reputation of Michigan as a world-class wine region is gaining more national and international attention. In view of this growth, the council embarked on a strategic planning process in April 2011 to set priorities and guide policy over the next five to ten years. The 2011 Strategic Plan is the Council’s fourth such plan, following plans issued in 1995, 2003, and 2007. To help develop the 2011 plan and implementation guide, the Council hired Public Sector Consultants (PSC) for planning and research services. In collaboration with the council, PSC carried out the following tasks to complete the project:

- Conducted best practices review across four states and one province
- Held in-depth interviews with key stakeholders
- Facilitated guided community conversations
- Administered an online questionnaire
- Developed a report of findings
- Met with council in May and August, 2011

BEST PRACTICES REVIEW

With guidance from the council, PSC conducted a best practices review of current industry research. The goals of this review were to obtain a sense of the current state of the industry, both in Michigan and in comparable states and Canadian provinces. In addition to reviewing recent research conducted by the council (such as the recent economic impact study), PSC reviewed prior strategic planning materials and fiscal plans.

IN-DEPTH INTERVIEWS

In collaboration with the council, PSC developed a survey guide and conducted seventeen in-depth interviews with council members and key industry stakeholders, which included predetermined questions to help assess the current state of the industry, the performance of the council, opportunities for prioritizing and enhancing council activities, and to identify emerging issues and needs. The interviews allowed for targeted follow-up questions where appropriate and based upon the responses of the participants.
COMMUNITY CONVERSATIONS
PSC, with council input, also conducted four listening sessions with a broader group of stakeholders within the industry (including winery staff, economic development and tourism professionals, researchers, and retailers). The purpose of these listening sessions, called “community conversations,” was to gather additional feedback on strategic direction for the industry, while also obtaining input on how to prioritize and implement these strategies.

REPORT OF FINDINGS
Using the data gathered in the research tasks outlined above, PSC summarized its findings, which include a review of each task performed, along with a synthesis of common themes and ideas identified across each of these tasks. These findings include discussion about the implications of these findings on the strategic direction of the council over the next five to ten years.

IN-PERSON MEETINGS WITH COUNCIL, MAY 2011 AND AUGUST 2011
PSC staff met with the council at its scheduled meeting in May 2011 to present preliminary findings from all research tasks to the council. The presentation included a summary of findings for each research task, along with initial findings of common themes across these tasks and possible implications for strategic planning and the implementation plan. In August, the Council will review and discuss the report findings to identify and prioritize implementation activities.
Key Informant Interviews

The Michigan Grape and Wine Industry Council sought to develop a strategic plan that will include a set of prioritized strategies and measurable outcomes over the next five to ten years. Toward that end, Public Sector Consultants (PSC) conducted interviews to help the council clarify strategic objectives, and provided specific recommendations on how to achieve them. Research tasks included in-depth interviews with key stakeholders, guided community conversations, and a best practice review.

In April 2011, PSC conducted interviews with Grape and Wine Industry Council members and key stakeholders to obtain their opinion on the current state of the Michigan grape and wine industry, the role and function of the council, and priorities for the future. (See Appendix A for the list of questions asked.) Thirteen individuals were interviewed, including all ten council members. Another five stakeholders were not available to schedule an interview and were sent an online questionnaire to submit their input. The results of those interviews and the online questionnaire are described below.

STATE OF MICHIGAN’S GRAPE AND WINE INDUSTRY

Council members and key stakeholders were first asked to characterize the current state of Michigan’s grape and wine industry, including its challenges and assets. The word “growth” was used consistently to describe the industry:

The industry is growing with the potential to be on the verge of exploding.

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I would say the industry is growing, exciting, and improving in quality.

***

It is growing quickly, which I think is good news amidst of a squishy economy.

***

There is a lot of excitement, partially due to the increasing quality of the wines and a newfound attitude for supporting local products. Any Michigan stigma found previously is mostly gone now.

Those interviewed agreed that the industry’s growth is positive for both the industry and the state. However, they also provided words of caution. Some described the industry as “confused” or “disjointed” as a result of the growth. One person said, “Like any other growing industry, people try to figure out where their business model fits. There are a number of business models currently in the industry that are unstable.” Another interviewee commented,

Some are hobbyists, some are investors, and some are legitimate businesses. I am not sure you can put them all as one category within the industry. The Michigan wine industry puts on a front that it is an industry, but it is greatly disjointed and there are considerable differences in priorities.
And another respondent asked, “Does it become a drain on the council when so many wineries come to the council? Is it a good thing or a bad thing that there are so many wineries? Can the state support that?”

Another concern of interviewees is the industry’s ability to maintain the high quality of the fruit and wine. Commented one respondent:

Some will never be convinced that hybrids will produce the highest quality wine. I think as we grow, we need to follow some specific guidelines about quality wine. Are we going to allow fruit wine, hybrid wines, or cider into our portfolio of quality wines?

**Challenges Facing the Industry**

In addition to the challenges resulting from rapid growth described above, respondents feel that the grape and wine industry also faces the following challenges:

- **Regulatory issues**
  Winery owners must contend with legislative issues such as lobbying and distribution, as well as challenges related to permits, assessing fees, and water usage. Since the Council is prohibited by statute from lobbying, a number of winery owners collaborated to form the Michigan Wine Producers Association as a lobbying organization. One respondent noted, however, that “the industry will never have the monetary power, hence the lobbying power of the wholesalers.”

- **Grape supply and natural conditions**
  Quality is an ongoing challenge as growers struggle to produce a sufficient quantity of high-quality grapes in Michigan’s cool climate conditions. Several of those interviewed said that there needs to be more acres of grapes grown in Michigan. Growers or those interested in becoming wine grape growers need to be educated about where to grow the best quality grapes. A few interviewees mentioned that a number of wineries are trying to grow grapes on land that is not suited for high-quality grape growing. They expressed concerns about the lower quality or “substandard” wines that are being produced from newer wineries using lower quality grapes, and how these wines will affect the perception of Michigan wines.

- **Tapping into national and international markets**
  Another challenge mentioned often from those interviewed was the industry’s ability to be known at the national and international level. One respondent said the greatest problem facing Michigan’s grape and wine industry is “competition from the rest of the world.” Another said, “The perception is that Michigan wines are of poor quality.”

Other challenges mentioned less frequently were: lack of statewide industry cooperation, minimal industry support of research and outreach, need for an expanded workforce educated and trained in enology and viticulture.

**Assets or Strengths of Michigan’s Grape and Wine Industry**

Respondents identified the following characteristics as the best things about the industry:

- **Quality of products**
  Several of those interviewed thought that the high quality of Michigan’s wines is an asset for the industry. One person said, “Our wines, especially Riesling and Pinot Grigio, are world
class. You increasingly see them on wine lists in other states.” Another person said, “Thirty-
years ago our wines were not that good. They have come a long way and I would put our
wines up against any wines in the world right now.”

■ Growers and Customers
More than one person talked about the dedication of those working in the industry and the
consumers who support the industry. One person said, “Most of the industry is owner-
operated, which means the owners are working in the industry. Those are good people,
committed to Michigan and their communities. They are making decisions more often than
not that are in the best interests in the long term, not just the short term.” Another person said,
“The customers are terrific. They are loyal and have spent extra money to buy a bottle instead
of something cheaper from the grocery store just because they want to support us and local
wines.”

■ Michigan’s natural resources
A few of those interviewed said that Michigan’s climate and water were assets to the grape
and wine industry. One person said, “Location, location, location. The beauty of our state is a
natural asset that we can all benefit from.” Similarly, another person said, “our growing
conditions and our climate are assets. Lake Michigan is our greatest asset.”

■ The council
Several of those interviewed recognized the work of the Michigan Grape and Wine Industry
Council and its staff as an asset to the industry. One person said, “I will pat the council on the
back. I think that despite their limited resources they have continued to be relevant in the
advancement of the industry.” Another respondent said, “We have good, dedicated people in
the grape and wine council.”

■ The industry’s relationship to Michigan’s tourism industry
Several of those interviewed recognized the wine industry’s relationship to tourism as a large
asset for both the industry and the state. One person said, “The wine industry highly
complements Michigan tourism. Tourism, local food, and entertainment are all very
conducive to the restructuring of Michigan.”

ROLE AND FUNCTION OF THE COUNCIL
The Michigan Grape and Wine Industry Council’s mission is “to provide for research, education,
and the promotion of the Michigan wine grape and wine industry, stimulating value-added,
sustainable agriculture.” The council members and key stakeholders were asked to describe the
mission of the Michigan Grape and Wine Industry Council in their own words. Most of those
interviewed said that the mission of the council was to promote and provide education on
Michigan wines, and to provide a link to state and local government. One interviewee thought
that the mission of the council was not entirely clear: “The mission seems to be dynamic,
changing from year to year. It ebbs and flows.”

Respondents were then asked to describe the council’s best attributes. They agreed that the
council does a good job overall. One person said, “In general, I think the council does a good job
and our work would be difficult without them. We have needed the council in place in order to

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get the industry where it is today.” Interviewees agreed that the council does a good job in the following areas:

**Education and research**

Some interviewees thought that the conferences and workshops sponsored by the council are helpful and well organized. Others appreciated the efforts of the council to support viticulture and enology research. One person said, “The council makes sure that Michigan State University is supplying the research that is needed for the industry. They are helping to define the research needs of the industry, and making sure that the university is satisfying those needs.” Respondents also mentioned how well the council and its staff provide education to start-up businesses within the industry.

**Communication and facilitation**

Many of those interviewed said the council and its staff does a good job of communicating necessary information and connecting potential investors to the resources they need to get started in the industry (e.g., realtors, financial institutions, Michigan State University-Extension educators). One person said, “The council gets information out about Michigan wineries. This is what they do best. When I say the council, I think of the council and its staff.” Another person said, “The council is responsive to the industry, to the participants in the industry. As opposed to dictating what the industry should be doing or what they think it should be doing.” Yet another person said, “The council and its staff provide information on the industry to people interested in growing and licensing. They also coordinate growers well with state public relations and education.”

**Promotion**

Although the majority of respondents thought the council could do a better job of promoting Michigan wines at the national level, most agreed that the council does a good job of promoting the industry within the state. In particular, *Michigan Wine Country* magazine was praised for its quality and its ability to promote Michigan wines. One person said that the magazine is “the single best thing the council does, without a doubt.”

Council members and key stakeholders were then asked how the council could do a better job. The following areas for improvement were mentioned most frequently:

**Networking at the national level**

The need for improved networking at a national level was mentioned throughout many of the interviews and online responses. One person said, “Michigan is glaringly absent at the national level. People are always surprised that we grow grapes, let alone make great wine.”

**Facilitation and communication**

Respondents suggested that the council could improve communication and facilitation by engaging both internal and external industry partners. One respondent said, “I think one of the things the council could do better is to get more of the industry partners engaged in the council’s work, as well as in more general promotional and research activities. Winemakers are a pretty independent lot.” Another suggested that the council “align resources with other organizations that have similar goals. For example, working with similar industries, like the beer association or cheese producers, to market products together.”

Others said the council should enhance the industry newsletter and market individual wineries. One interviewee recommended looking at the New York Grape and Wine Foundation’s newsletter as a model to reduce the amount of ads and increase the number of
informational articles. Another said, “There should be articles [in local news publications] every week talking about the Michigan wine industry. There are 80 wineries; at least one should be doing something that should be publicized.”

**Local support for production**
Supporting local production is another area for improvement for the council. One person said, “I think the council could do a better job of focusing on supporting Michigan wine and grape businesses, instead of the regional aspects of the industry, like the wine trails.” Another interviewee agreed, saying “The council needs to focus on economic modeling. We have to come up with help for the industry to make it profitable for growers to grow grapes and wineries to make wine. Help figure out the different models and the best practices those involve.”

**Focus on education**
A few respondents talked about modifying the council’s research and education efforts. Said one: “The council needs to redefine the traditional sense of research and education. The council cannot effectively fund legitimate research projects for grape growing with a relatively limited budget.” This council member thought that research funded by the council needs to focus on both local and national marketing. Another respondent said researching new varietals is still important. In terms of educating the industry, one interviewee suggested that the council offer more advanced educational opportunities at conferences.

**PRIORITIES FOR THE FUTURE**
The final set of questions asked council members and key stakeholders to think about the priority for the council’s resources in the next five to ten years. The following priorities were mentioned most frequently:

**Legislative and regulatory**
Various legislative or regulatory issues were mentioned during the key informant interviews, such as streamlining licensing, protecting the ability of wineries to distribute their products themselves instead of going through a distributor, and examining possible revisions of the council’s founding legislation. One person said that the composition of the council should be expanded. This respondent also thought that perhaps less winery representation on the council and more representation from outside of the industry could be considered to offer the council and the industry “a breath of fresh air.” Another interviewee said that the council needs “greater independence” from state government. Recognizing the council’s prohibition on lobbying, several interviewees said that the Michigan Wine Producers Association needs to step in to handle lobbying for the industry. However, some felt that the council could educate the legislature better, for example, by publishing an updated economic impact study.

**Education and local support**
Council members and key stakeholders recognized the importance of the council and its staff to educate newcomers and those currently working in the industry. Many respondents thought the council should continue to emphasize these supports. Said one: “The council is the go-to place. There are so many bits and pieces you need to know when entering the industry and the council does a wonderful job of helping those who want to be a part of the industry.” Another asked, “In addition to the council’s resources on its website, is there a way that the council can act as an ongoing matchmaker for resources to help people make the decision to grow grapes or make wine?”
Supply of grapes
Some of those interviewed recommended that the council focus on increasing the supply of high-quality grapes used to make Michigan wines. One respondent said, “One priority would be to gain a consistent supply of grapes that allow the industry to grow. A lot of times there is not enough raw material to meet the needs to make wine.” Others recommended expanding the acreage of high-quality wine grapes, although the majority of council members and key stakeholders rated subsidizing grape growing as “not important” or “not very important.”

Respondents see the council in an investigative role, finding programs (such as farm preservation, Renaissance Zones, USDA rural development) to help investors fund the expansion of grape wine acreage in the state. One interviewee said, “I think it is a better use of the council’s limited resources to focus on educating the new growers, than to provide financial assistance to get more grapes in the ground.”

Research
In addition to continuing funding for varietal research, those interviewed thought the council should consider supporting research to develop improved business models for those entering the industry. One respondent said, “The economic position of many small wineries and growers is not particularly good, too few are actually profitable. The council needs to create a successful and profitable economic model for owners and operators to follow.”

Marketing, promotion, and communication
Many of those interviewed said the council should continue to emphasize marketing, and work more closely with the artisan cheese and restaurant industries to market Michigan wines, along with continued work with the Michigan tourism industry (through the Pure Michigan campaign). The need to market outside of the state and to “garner national attention” towards Michigan wines was also mentioned.

A focus on quality
Some respondents thought the council needs to pay more attention to maintaining the high-quality of Michigan wines by defining what quality means for Michigan wines and clearly communicating that standard within the state and nationally.

Council members and key informants were asked next to rate the importance of the council’s past focus areas or priorities as “very important,” “somewhat important,” “not very important,” or “not important at all” (see Appendix B). Council members and key stakeholders thought the following areas were “very” or “somewhat” important for the council:

- Provide consumer education to build awareness, interest, and support for Michigan wine through events, paid advertising, social media, etc. (100 percent “very important”)
- Maintain the Michigan Grape and Wine Council website. (85 percent “very important,” 15 percent “somewhat important”)
- Direct entrepreneurs to information that may assist in managing their winery business, and help start-up ventures understand the complexities of the wine business. (77 percent “very important,” 23 percent “somewhat important”)
- Serve as a source of information for the media and other stakeholders about statistics and news about the Michigan wine industry. (77 percent “very important,” 23 percent “somewhat important”)
- Brand the Michigan wine experience with a common message. (77 “very important,” 15 percent “somewhat important”)

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Publish the annual *Michigan Wine Country* magazine. (69 percent “very important,” 31 percent “somewhat important”)

Support a culture that reflects the importance of “local food and beverage” in the Michigan tourism and hospitality sectors. (69 percent “very important,” 31 percent “somewhat important”)

Sponsor the annual Grape and Wine industry conference. (62 percent “very important” and 38 percent “somewhat important”)

Support viticulture and enology research. (62 percent “very important,” 31 percent “somewhat important”)

Assist in the development of regional education programs for owners and employees who will enter the industry (viticulture, enology, marketing, business topics). (54 percent “very important,” 46 percent “somewhat important”)

Publish print and electronic newsletters to provide pertinent information to members of the industry. (54 percent “very important,” 38 percent “somewhat important”)

Sponsor the annual Michigan Wine and Spirits competition. (46 percent “very important” and 46 percent “somewhat important”)

Monitor regulatory issues (local, state, and federal) and provide input on public policy when requested. (38 percent “very important,” 46 percent “somewhat important”)

Continue the Vintage Michigan loyalty program through retailers, hotels, wineries, and restaurants. (15 percent “very important,” 46 percent “somewhat important”)

Several of those interviewed said that “wine month” activities are important; however, most believe that April is not a good month to promote Michigan wines. Other months that interviewees thought the council should consider are June, July, August, or October.

Council members and key stakeholders were then asked how the council could help move the industry forward in the next *five to ten years*. The two priorities mentioned most frequently were maintaining the quality of Michigan grapes and wines and promoting Michigan wines nationally. Respondents thought that a focus on quality is both a short-term and a long-term priority for the council. Several comments were made about defining quality and developing quality standards, and what role the council could play in maintaining quality standards. One interviewee said:

> The industry is growing like it is because of the quality of the products. As long as it continues to improve, the industry will continue to grow. However, if the quality goes backwards then the industry will go backwards. The council should use its resources to make sure that doesn’t happen.

Another person said, “We all need to collectively push each other to keep our high reputation and maintain the standards we have worked so hard over the decades to develop.”

Several respondents also talked about the council taking more initiative to promote and market Michigan wines nationally. One said, “I still think Michigan needs to step out as a legitimate wine producing state. There are other states that have lesser quality wines, yet they are better known because they are out there being noticed no matter how good the product.” Another suggested the council consult with a public relations agency instead of the council's staff taking on the issue alone. Another long term priority mentioned was the development of economic and business models that focus on profitability and scalability.
Potential Partners to Help Address Priority Issues

Finally, council members and key stakeholders were asked if there were key partners that the council should engage to address priority areas. The following organizations were recognized by those interviewed as potential partners the council could engage to address the above-mentioned priorities (order does not indicate importance):

- Chambers of Commerce
- Grocers
- Local government entities
- Michigan Department of Agriculture and Rural Development
- Michigan Economic Development Corporation
- Michigan Liquor Control Commission
- Michigan Restaurant Association
- MSU/ANR product development center
- Pure Michigan
- Regional economic development organizations
- Travel Michigan
- Universities
- Wholesalers association
- Wine America

COMMON THEMES

Overall, the council members and key informants interviewed thought the Michigan Grape and Wine Industry Council and its staff are fulfilling the council's mission. The areas of focus mentioned most frequently throughout the key informant interviews were: (1) developing standards of quality for the supply of grapes and wines produced in Michigan; (2) educating potential investors to create a positive impact on the industry; (3) nurturing current partnerships and building new partnerships to market products; and (4) developing a strategy to promote Michigan wines nationally and internationally.
Community Conversations

Rather than involving a broad spectrum of community representatives in an isolated activity to prioritize issues, Public Sector Consultants (PSC) used a different approach—community conversations—meant to engage the grape and wine community to generate a contingent of informed and mobilized partners for the long haul. The conversations are a community-guided process that engages, informs, and excites. PSC worked with the council’s staff to identify conversation conveners from within the ranks of the industry’s leadership to host four community conversations in May and June 2011. The conversations were used to obtain stakeholder’s input on the current state of the Michigan grape and wine industry, the role and function of the council, and priorities for the future. PSC provided a facilitator and a scribe to guide and record each of the conversations.

Community conversations took place in Traverse City (May 12), Manistique (May 13), Lawrence (June 6), and Jackson (June 15). Conveners were asked to invite their peers to participate in the community conversation. PSC invited those unable to attend a community conversation to complete an online questionnaire. A total of 24 individuals participated in the four community conversations and 25 persons completed the online questionnaire. Participants included growers, winemakers and winery owners, and representatives from other sectors such as economic development, education (including Michigan State University and MSU-Extension), nonprofit organizations, tourism, and consumers. The following questions were asked at the community conversations and on the online questionnaire:

- How would you characterize the current state of Michigan’s grape and wine industry (its assets, strengths, challenges, or greatest problems)?
- In your own words, what have been the Michigan Grape and Wine Industry Council’s greatest contributions to the industry?
- What do you consider the top priorities for the Michigan grape and wine industry over the next five years? Over the next five to ten years?

In addition, online respondents were asked to define the council’s mission and how it is achieving that mission, and community conversation participants were asked to discuss the results of best practices research. (These results are discussed in detail in the next section of this report.) The following summary of the information and ideas generated from the community conversations and online questionnaire will be used to inform the council’s strategic planning.

State of Michigan’s Grape and Wine Industry

Community conversation participants and online respondents described the industry as “growing” and recognized that the quality of the product is continually improving. Specific assets of the industry mentioned were: partnerships with tourism and the local food movement (for example, agri-tourism); recent legislation that allows wineries to charge for tastings; Michigan’s natural resources (such as micro-climates) and “45th parallel” status (conditions that mirror world-renowned grape growing regions like Bordeaux, France); commitment of those working within the industry; and a winery’s ability to distribute products itself instead of having to use a wholesaler. One participant said, “Over 40 years of commitment to problem-solving for the industry through research, education, and outreach has put this industry in a position to expand from a local sales industry to regional and national status.”
Another noted, “Our strengths can become our challenges. I think the industry is experiencing growing pains. For example, distribution is a problem, production has a supply and demand problem, and we need to make sure that growers continue to grow high-quality fruits.” These challenges and others mentioned by community conversation participants and online respondents are summarized below:

- **Regulation**
  Conversation participants talked about a number of regulatory challenges, such as rules about distribution and the time it takes to get legislation (such as SB 32 introduced in January 2011, which would allow tastings at farmers markets) through the legislature. Local government regulatory issues for wineries include zoning challenges, including commercial licensing for specific types of operations, limitation on the number of rooms if a business owner wants to add a café or bed and breakfast to a winery, and transportation issues related to signage.

- **Supply of high-quality Michigan grapes**
  Several conversation participants and online respondents talked about the industry’s inadequate supply of high-quality Michigan grapes. There was a concern that the rapid pace of the industry’s growth could put grape and wine quality at risk of diminishing due to competition in the marketplace. In other words, the pursuit of profit and survival may marginalize grape growing and winemaking processes. Some said that Michigan could have a better supply of grapes if growers did not sell their supply to out-of-state wineries. Participants also mentioned concerns about growers overpromising grapes and wineries not getting the grapes they were expecting. Some participants feared a loss of quality if there is a push for an increase in wine grape acreage. One person said that there is not a “reliable source of quality grapes that are consistently available year after year.”

- **Collaboration**
  Several participants mentioned a lack of collaboration within and among regions in the state as a challenge for the industry. One noted that “Michigan wineries need to come together as a whole to promote its industry. Trails and regions are very separate from each other, although the Old Mission and Leelanau Peninsulas are improving.” Another person described the industry as “unorganized.” Other participants said that the council needs to continue to serve as a facilitator to engage all stakeholders within the industry to collaborate more.

- **Marketing and promotion**
  Several participants thought that the Michigan industry lacks an identity. Several said that Michigan’s grape and wine industry needs a “unified voice.” A few participants said that it may be time for Michigan to consider picking a varietal to promote as “Michigan’s varietal.” Promoting a single varietal may help set Michigan apart from other regions of the world; however, it could also constrain Michigan’s diverse wine production and offerings that will fuel future industry growth.

  Others said that the council needs to have a higher profile at national industry gatherings to promote Michigan’s wines. A key ingredient to the ongoing expansion of the industry will be entry into new markets outside of Michigan and convincing consumers that Michigan offers a much wider selection than sweet white wines. Michigan is uniquely positioned to take advantage of its “45th parallel” status as a marketing tool. One participant talked about the research that is being done to consider following France’s model of regional promotion, which could help Michigan’s industry get on the map.
Several respondents said promotion of Michigan wines is a challenge: “Many people, both inside and outside of Michigan are still unaware that Michigan has a vital industry.” One respondent commented that no one outside of the industry knew when the Bel Lago winery won “Best Riesling” at the Pacific Rim wine competition in 2010 and when Peninsula Cellars winery won “double Gold” at the San Francisco International Wine Competition in 2007. Another person said, “Although the industry as a whole has gained greater respect from the general public, there is still a stigma attached to Michigan wines from some of the more sophisticated consumers.”

**Education**
Educating new growers, winemakers, and legislators was discussed in all of the community conversations and mentioned frequently by online respondents. Many participants talked about the importance of keeping MSU-Extension as a resource to educate new and current growers and winemakers. A few said that the council should enhance professional development by bringing in technical experts on grape growing and winemaking. Other respondents said the industry needs to educate more trained and qualified people to work within the industry, including grape growers, wine makers, lab and cellar workers, business managers and marketers, and those trained in hospitality (to work in tasting rooms and at winery-related events). Another added, “One of the greatest challenges in building the workforce is the industry not coming to an agreement with Michigan State University. Michigan State University has expressed a willingness to work with the industry by providing matching funds, but the industry cannot agree on a plan to meet half-way.”

Many participants also talked about the importance of the council educating legislators and local government officials on the needs of the industry and how the industry can positively affect local economies. Participants recognized the council’s limitations and suggested that the council interact with the new Michigan Wine Producer’s Association on issues of mutual interest to help resolve issues that may require legislative action.

**Research**
A lack of funding for research was a common theme. Participants recognized the importance of the industry’s relationship with Michigan State University and the necessity of increased funding to continue research on wine grape varieties that grow well in Michigan’s climate that will produce the highest quality wines. One person said,

National, regional, and state funding for science-based problem-solving for this potential has been severely curtailed. Indeed, in my view the future of that science-based effort in viticulture and enology is in serious jeopardy for lack of the funding necessary to maintain the infrastructure of the effort and to carry out the specific research efforts for today’s and future vineyard/winery concerns. This is the industry’s greatest challenge and how the industry responds to that challenge will determine the future of science-based research in Michigan and in the long term, future growth of our industry.

**The Council’s Greatest Contributions to the Industry**
Participants were asked to describe what they thought were the greatest contributions of the Michigan Grape and Wine Industry Council to the industry. Many spoke very positively about the council’s staff, highlighting their professionalism, knowledge of the industry, and resourcefulness. Other contributions of the council to the industry mentioned were: supporting viticulture and enology research, educating consumers (through Vintage Michigan and Wine
Country magazine), start-up grants for wine trails, grower and winemaker education (including partnering with MSU-Extension), leadership, and sponsoring industry events (such as conferences and competitions). One participant said, “I think the perception of both insiders and outsiders is that the council is the largest supporter and the backbone of the industry.” Another said the council has been “a rock of consistency during the growth of the industry and has kept the industry in the public’s eye when there were only a handful of wineries.”

Priorities for the Industry
Participants were then asked to identify the industry’s priorities in both the short-term (in the next five years) and the long-term (in the next 5-10 years). The following common themes emerged from the community conversation discussions and online comments:

- **Collaboration**
  Respondents suggested creating a unified voice within the industry and building partnerships within the industry so that everyone can work towards a successful business operation. According to one participant, “The council needs to focus on developing a voice for the entire state by pulling the diverse parts of Michigan together for one voice.”

- **Regulation**
  Some respondents said the council needs to address regulatory issues that create barriers for those who want to grow grapes or make wine. One person said, “Promote a positive business environment where wineries can grow by keeping taxes and fees in check or by providing tax breaks for capital investments.”

- **Funding**
  Participants saw a need for industry stakeholders to discuss a self-assessment (for example, a tax per gallon or case) in order to increase funding for viticulture and enology research and marketing activities. One participant said, “The industry could use assessment districts like the hotel industry. Hotels charge a 5 percent room tax, and have a voting membership as to how the funds are allocated. The wine industry should look at similar models.” Another person said that the industry should “piggyback” on other efforts and to create public/private partnerships to achieve its goals with the limited resources currently available.

  According to one respondent,

  The most important priority for Michigan's grape and wine industry is to create a consensus that a healthy future industry will require the development of an industry based on funding mechanism(s) that support science, education, and outreach. That is the most important priority now, in five years, in ten years, and for the foreseeable future.

  Others mentioned that the council needs to continue supporting research in viticulture in order to find varietals that grow well in Michigan and produce high-quality wines.

- **Marketing and Promotion**
  Several participants mentioned the need to market Michigan wines nationally and the positive impact marketing with tourism efforts (such as Pure Michigan or “foodie tours”) has had on the industry, as well as the need to build on those partnerships and connect with other industries. The rapid expansion of locally grown food initiatives provides a significant opportunity to boost the recognition and sale of Michigan wines. The council should pursue Pure Michigan campaigns and continue to lead the Michigan Culinary Tourism Alliance in
partnership with the Michigan Restaurant Association and Travel Michigan. One said that there is a “missing link” between the industry and restaurateurs, and the council needs to find a better connection to that market. Others said the council needs to continue improving the public image of Michigan wines, promoting the uniqueness of each winery, and publishing the Wine Country magazine.

Quality
Several participants talked about the need for the council to maintain a focus on the quality of grapes grown and wine produced. To help address this, the council could create an atlas and develop industry guidelines for growing specific types of grapes in Michigan’s varied climate and geographies and encourage best practices for growing and wine making. Many said that the council should research what nearby wine-producing states (such as Ohio) or provinces (Ontario) have done to develop standards, while others said the council should enhance the current eligibility for wineries to be promoted by the council. One person said, “It is time to move from internal standards to industry standards.”3

Despite this desire for “quality,” participants were not able to define this term beyond the council’s eligibility criteria or the labeling requirements of the federal Alcohol and Tobacco Taxation and Trade Bureau (TTB). Some participants, however, said that not all wineries are producing wine of equal quality, and one felt that “too many small boutique wineries produce fair to poor quality wine.” (This issue is discussed further in the best practice research section of this report.)

Some respondents said the council needs to focus on maintaining a steady supply of high-quality grapes to meet the growing demand of wineries. One person said the council needs to consider establishing a fund to subsidize vineyard establishment in tree fruit growing areas.

Conversation participants also mentioned continuing to provide local support to growers and wineries as a short-term priority, for example, connecting growers and winemakers to available resources. Other priorities for the industry for the next five to ten years include focusing on research (such as varietals, economic impact), and education (increasing the number of trained and qualified individuals within the workforce, professional development).

The Mission of the Council
The online questionnaire asked respondents to phrase the council’s mission in their own words to see if industry stakeholders understand the council’s purpose and mission, which is “to provide for research, education, and the promotion of the Michigan wine grape and wine industry, stimulating value-added, sustainable agriculture.”4 Most respondents accurately described the mission of the council as providing research, education, and promotion of the industry, although a few respondents either said they did not understand the council’s mission, or inaccurately

3 In 2006, the Michigan Grape and Wine Industry Council developed eligibility criteria for wineries and their products to be officially represented and promoted by the council. These criteria require wineries to obtain a license issued by the Michigan Liquor Control Commission; and at least 51 percent of the fruit used in their products must be from Michigan. The federal Alcohol and Tobacco Taxation and Trade Bureau (TTB) requires at least 75 percent of the fruit used in a wine to be grown in Michigan for the wine to be labeled a Michigan wine. The TTB also requires a winery located within an American Viticultural Area (AVA), such as the “Lake Michigan Shore AVA,” to include at least 85 percent of fruit grown in the AVA in the wine for it to be labeled as originating from that AVA.

described it. Most said that the council does a “good job” fulfilling its mission, while a few do not think the council does so.

**Best Practices Michigan Should Consider**

Finally, community conversation participants were presented with a summary of the initial best practices research (described in detail in the next section of this report) and were asked whether Michigan should consider any of the promising practices of other states.

Participants thought Michigan should consider the following promising practices:

- Improved communication to the general public about legislation in order to garner public support (The council could do this by utilizing online avenues such as the Michigan Wines website or social media outlets like Facebook or Twitter.)
- Self-assessments to improve funding research and marketing strategies
- Collaboration with other organizations to fulfill a unified mission
- Increased tourism efforts by enhancing the Michigan Wines and/or Pure Michigan websites with an interactive tourism planner

**COMMON THEMES**

The areas of focus mentioned most frequently by community conversation participants and those who completed the online questionnaire for the council to consider as priority are as follows:

- Increasing the supply of grapes while maintaining quality to produce high quality wines.
- Enhancing relationships and building new partnerships to efficiently and effectively market Michigan wines.
- Continuing support for research of varietals.
- Enhancing educational activities for potential investors and those currently in the industry.
- Monitoring regulatory issues that could inhibit future growth of the industry.
Best Practice Review

With guidance from the council, PSC staff and a graduate student from Michigan State University conducted a best practices review of current industry research. The goals of this review were to get a sense of the current state of the industry, both in Michigan and in other states and Canada. PSC’s research team gathered information to review the structure and functions of wine councils in Missouri, New York, Ontario, Virginia, and Washington. These locations were chosen because of their good reputation within the industry or similarities to Michigan’s industry.

Preliminary findings were shared with council members at a strategic planning session on May 12, 2011. Following this meeting additional research was conducted to address several comments offered by council members. The research team was asked to explore how the other councils deal with issues such as effectiveness of relationships with lobbying organizations, quality standards and issues of compliance, strategic plans and metrics for growth, volume of out of state sales, and social media presence.

The research team identified the following common and unique focus areas that the Michigan Grape and Wine Industry Council should consider for further discussion and inclusion in an updated strategic plan:

**Common**
- Collaboration
- Marketing
- Funding for research

**Unique**
- Tourism
- Standards
- Communication

Below is a summary of the best practice research results for each of these focus areas.

**COLLABORATION**

Collaboration was identified as a key ingredient to highly successful councils. Effective collaboration allows an entity to leverage its current resources to accomplish more than it could otherwise. In the past the Michigan Grape and Wine Industry Council has collaborated with Michigan State University and Pure Michigan tourism efforts. The council has also collaborated with Wine Michigan, an organization formed in 2004 by wineries across Michigan whose mission was to protect and enhance Michigan’s wine industry.\(^5\) However, this and other advocacy organizations within the industry have had a hard time gaining broad support. As recently as May 2011, Wine Michigan reinvented itself to become the Michigan Wine Producers Association (MWPA).

The MWPA will serve as a lobbying organization for Michigan’s grape and wine industry. A variety of memberships will be available in the hopes of attracting widespread support from...

wineries around the state. The Michigan Grape and Wine Industry Council, because it is housed and funded within state government, is precluded from direct lobbying activities. During the council’s May 12, 2011, meeting, council members questioned how the council might work with the MWPA to assist in its lobbying efforts in view of this restriction (perhaps by providing education). Lobbying activities conducted in other states are highlighted below.

In Washington, the Washington Wine Institute (WWI), a member serving lobbying organization, serves as the lobbying organization for the grape and wine industry. The WWI’s mission is to be “the voice on legislative and regulatory issues impacting the Washington wine industry.” In 1987, the WWI approached the state legislature to request creation of the Washington State Wine Commission (WSWC), currently housed within state government. The Executive Director of the WSWC served both the commission and the WWI until four years ago, when the WWI separated from the commission. A lobbyist from the WWI said that it works closely with the commission and described the organizations’ relationship as “symbiotic.”

The WSWC said that the council strictly focuses on marketing and promotion, and testifies on behalf of the industry only if asked by the legislature or Congress. Otherwise the WWI, as the industry’s lobbying organization, handles all advocacy efforts of its voluntary membership. The WSWC and WWI warned: “Be extremely clear about the distinction of the roles of each organization.”

The WSWC, partly funded through a grape and wine assessment, keeps funding decisions transparent and meetings open to the public, and holds peer-elections for its board positions. The WSWC noted frustrations from growers and winery owners in Washington who think because they pay the self-assessment that they do not need to pay the WWI membership fee—yet another reason for maintaining a clear distinction between the two organizations. The WWI also works closely with industry trade associations like the Washington Association of Wine Grape Growers.

In 2009, the WWI worked with the wine grape growers association to lobby for legislation to increase the percentage of Washington fruit required in wine to 95 percent to be labeled as Washington wine.

New York State also has two industry organizations, one devoted to education and promotion and the other focused on lobbying. The New York Wine Industry Association (NYWIA) serves as the New York grape and wine industry’s lobbying organization. Its mission is to “work on behalf of wine industry members, including grape growers, suppliers, and wineries, to promote the health and advancement of the wine industry in New York State through legislative lobbying and public education efforts in order to create a strong, positive economic foundation for our families, our communities, and our state.” The New York Grape and Wine Foundation, an organization similar to the Michigan Grape and Wine Industry Council, told PSC that it is not directly related to the NYWIA and that the two groups work “loosely together, as each of these organizations serves different functions for the industry.”

MARKETING

Marketing has historically been a focus area in planning efforts of the Michigan Grape and Wine Industry Council. The best practice research team looked at how other grape and wine industries are marketing themselves, and lessons that can help the Michigan council improve its efforts. The Virginia Wine Board Marketing Office (VWBMO), an arm of the government-based Virginia Wine Board, is charged to implement educational and marketing activities focused on advertising, public relations, and promotions for all wineries in Virginia. The Virginia Wine Board allocates

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$50,000 annually to the VWBMO to provide “seed funds” for new marketing initiatives that promote Virginia wines within the state and in national and international markets.

The VWBMO’s grant program matches dollar for dollar what applicants are able to bring to the table for a marketing initiative. The program does not fund individual wineries, but fosters collaboration within the industry to promote clear and consistent messaging among the various marketing initiatives. Initiatives requesting funding are required to have a minimum of three financial partners (for example, wineries, associations, convention and visitors bureaus, private organizations, or trade groups). Each partner is required to submit a letter of commitment with the application. Grants are awarded at the beginning of each fiscal year and require final reporting with measurable outcomes. For example, approved grants are required to provide the methodology of their marketing initiative and the results of their initiative (for example, growth in sales). The VWBMO’s grant program does not fund existing marketing activities such as printing annual winery brochures.8

**FUNDING**

Funding for research and education to help strengthen the industry appears to be a top priority for each comparison state/province and Michigan. In fact, the Missouri Wine Board directly underwrites the Institute for Continental Climate Viticulture and Enology at the University of Missouri. For a number of the comparison states, funding is largely generated through wine taxes and is prominently used for marketing and research. See Exhibit 1 for an overview of each organization’s annual budget and how revenue is generated.

### EXHIBIT 1

**Funding Sources**

<table>
<thead>
<tr>
<th>Lead Organization</th>
<th>Budget</th>
<th>Funding Generation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan Grape and Wine Industry Council</td>
<td>$640,000</td>
<td>Non-retail liquor license fees</td>
</tr>
<tr>
<td>Missouri Grape and Wine Board</td>
<td>$1.6 million</td>
<td>$0.12 per gallon tax ($0.06 for marketing, $0.06 for research and extension)</td>
</tr>
<tr>
<td></td>
<td>$436,000 (2012)</td>
<td></td>
</tr>
<tr>
<td>Wine Council of Ontario</td>
<td>$4 million</td>
<td>Funded directly by the industry (through provincial grants, membership dues)</td>
</tr>
<tr>
<td>Virginia Wine Board</td>
<td>$1.3 million</td>
<td>$0.04 per liter tax (2/3 for education, 1/3 for marketing and research)</td>
</tr>
<tr>
<td>Washington Wine Commission</td>
<td>$3 million</td>
<td>Assessments, some state and federal grants, sponsorships, ticket sales and registrations</td>
</tr>
</tbody>
</table>


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There are other avenues through which industries can obtain additional funding to support research and education. In Washington, the Washington Wine Industry Foundation, a 501(c)(3) nonprofit organization established in 2001, conducts fund-raising and gift-receiving efforts on behalf of the Washington wine industry and other donor-designated organizations. The foundation engages individuals and organizations who care about Washington’s wine industry to provide opportunities for enhancing scholarships, education, outreach, and research. In Michigan, the Michigan Wine Foundation could serve the industry in a similar way.

TOURISM

The Michigan Grape and Wine Industry Council has had a successful partnership with Michigan tourism in the past. This area was included in the best practice review to find additional ways the industry could target tourism to promote the industry. The best practice research for this focus area found some promising practices from other states that use technology to help consumers create a personal wine tourism experience based on amenity preference and styles of wines. In Missouri, for example, an online database (on the Missouri Wine and Grape Board website) allows tourists to search for wineries according to location, event, type of wine, and amenities offered.

The screen shots reproduced below provide an example of searching for wineries for a rehearsal dinner. The online trip planner allows users to check the various amenities and services required for the event, and search for wineries within so many miles of a specific address or city.

Step one: When planning a trip for a specific event, such as a rehearsal dinner, first choose the amenities needed and the desired location (see Exhibit 2).

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Step two: Click “Compare Wineries”. The results of this search are shown in Exhibit 3.
Washington also offers an enhanced trip planner on its website for potential tourists to customize their own tours, track favorite wineries, and stay up to date on wine events and news. Users can search for wineries by region, varietals, and/or amenities.\footnote{Washington State Wine Commission, Explore/My Tour, available online at: \url{http://washingtonwine.org/my-wa-wine/my-tour.php} (accessed 6/22/11).} Exhibit 4 shows the home page of the trip planner.
Exhibit 4
Home Page, Washington State Trip Planner

SOURCE: http://www.washingtonwine.org/explore/.

Exhibit 5 shows a search for wineries in southwest Washington, offering any variety of wine, that provide a picnic area.
The Michigan Grape and Wine Industry Council could enhance tourism efforts and promotion of winery trails through an online trip planner allowing consumers to create a personalized wine trail and learn about the amenities available at each winery. The wine maps available on the council’s website (www.michiganwines.org) were updated in spring 2011 with new wineries. Each wine map shows the name of the wineries in the region and then takes you to contact information and directions to the winery. The council may want to consider enhancements similar to those shown in the examples from Missouri and Washington to enable consumers to search for wineries with specific varietals and amenities. The council could investigate the costs of working with an experienced technology consultant to upgrade the website in this way.

**STANDARDS FOR QUALITY**

Participants in both the key informant surveys and conversation participants mentioned the importance of maintaining the quality of Michigan wines, but although conversation participants were probed to define “quality,” they could arrive at no specific definition of quality for individual wineries or the industry as a whole. Conversation participants frequently referred to the council’s eligibility requirements and federal labeling standards when discussing quality, but these rules pertain to the origin of the fruit used in the wine, not its quality. Currently, to be eligible for the council’s representation a winery needs to use at least 51 percent of Michigan fruit in its product. Wineries also must adhere to labeling rules put out by the federal Alcohol and Tobacco Taxation and Trade Bureau (TTB). For example, to be labeled as a Michigan wine, 75 percent of the fruit used in the wine needs to be from Michigan, and to label a wine as part of an American Viticultural Area (AVA), federal rules say that at least 85 percent of the fruit used in the product needs to be grown in that AVA.
The Michigan Grape and Wine Industry Council needs to explore definitions of “quality” for the industry apart from federal labeling rules. To support such an exploratory discussion, the research team examined whether other states have created industry quality standards, and how they make sure wineries comply with the standards.

A representative of the New York Grape and Wine Foundation said that about ten years ago the foundation considered developing quality standards for New York wines. The foundation and industry stakeholders looked at the standards developed in Ontario and in other states (including Ohio), but had trouble defining what quality meant and how to define it in terms of industry standards. The foundation, with the industry’s support, decided against creating its own standards and wineries must simply comply with federal labeling standards for fruit origin.

Wine quality standards in Washington similarly refer to origin, although the requirements are more stringent than the federal rules. In 2009, the Washington Wine Institute (WWI) and Washington Association of Wine Grape Growers (WAWGG) worked together to draft legislation to foster a standard for defining the quality of wines produced in Washington. The new law requires that for a wine to be labeled as a Washington State wine (or a Washington AVA) 95 percent of the grapes used in the product must be from Washington.12

In contrast, the Viticulture Quality Alliance of Ontario (VQA Ontario), a regulatory body responsible for enforcing wine quality standards, has an extensive list of regulations for grape varieties and ripeness, winemaking techniques, labeling, and sensory and chemical criteria for the finished wine. For example, a winery located within the Lake Erie North Shore Viticultural Area that wants to produce a Shiraz wine will need to comply with the following quality standards according to Regulation 406:13

- At least 85 percent of the grapes used in the product must be grown within this viticultural area and the product must be fermented, processed, blended, finished, and bottled in Ontario to be labeled as a wine from the Lake Erie North Shore region.
- The Syrah grape is authorized by the VQA to be used to make the Shiraz wine.
- The minimum average Brix level14 at harvest for the Syrah grape grown in a specific viticultural area, and could be estate bottled and have a vineyard designation, is 19.5°

There are many other requirements if the winery would like to include the name of the vineyard or estate on the label. Additional requirements for meeting quality standards include restrictions on diluting fruit juice to increase yield of product; requirements for adding sweet reserve as permitted; and restrictions on the amount of sugar added to a product based on geography of variety. (To see the text of the regulation go to http://www.e-laws.gov.on.ca/html/regs/english/elaws_regs_000406_e.htm.)

In addition to its extensive regulations, the VQA Ontario has created an audit system to make sure wineries comply with the quality standards. The information that wineries are required to report to the VQA Ontario (specified in Ontario Regulation 405. Section 3) is listed below:

1. The varieties and volumes of wine stipulated by individual tank
2. An identification of the origin of the grapes, including a legal description of the location of the vineyard or vineyards where the grapes were grown

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14 The Brix level measures the sugars found in the grapes at the time of harvest.
3. The quantities of wines intended to bear a vineyard designation and their identification throughout the winemaking process
4. The quantities of wines intended to bear the estate bottled designation and their identification throughout the winemaking process
5. The quantities of wines intended to bear a provincial designation and their identification throughout the winemaking process
6. The quantities of wines intended to bear a viticultural area designation and their identification throughout the winemaking process
7. The quantities of each category of wine and their identification throughout the winemaking process
8. Tank records and racking orders for all wines that set out a complete processing record up to and including the bottling stage
9. All information respecting sales of wines for which approvals have been issued. O. Reg. 405/00, s. 3 (1).

COMMUNICATION
Communication is a priority focus area that emerged from both the key informant interviews and community conversations as an area that could be improved. Council members and industry stakeholders said they would like the council to consider enhancing communication to industry stakeholders and consumers through enhancements to the website and newsletter and increased use of social media outlets.

Website and Newsletter
The Michigan Grape and Wine Industry Council currently has a number of resources available online, but visitors to the website may not be able to access what they need quickly. For example, to get to the council’s most recent newsletter a visitor needs to know to click on “Industry Resources” and then find “Newsletters” in a new menu to the left. The council may want to consider adding a link to current newsletters on the main page, near the box where viewers can sign up for a subscription.

The council should also consider what type of information it communicates to industry stakeholders and consumers. One community conversation participant suggested that the council better inform the general public of legislative happenings in order to garner public support for the industry. The research team discovered that the Washington State Wine Commission and New York Grape and Wine Foundation use their websites to help inform consumers and the industry about bills in the legislature that could affect the industry. The New York website also includes a community board, called “Corkboard,” where industry stakeholders can post questions and information related to grape growing and wine; it also serves as a guestbook where consumers can leave feedback about wineries they have visited.

Social Media Use
An increased use of social media was also mentioned in both the key informant interviews and community conversations. Social media, like Facebook or Twitter, are widely used by businesses

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and organizations for promotion, marketing, and communication. Exhibit 6 shows how the Michigan Grape and Wine Industry Council and the comparable state organizations utilize popular social media outlets.

**EXHIBIT 6**

*Use of Social Media*

<table>
<thead>
<tr>
<th></th>
<th>Facebook</th>
<th>Twitter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan Grape and Wine Industry Council</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Missouri Grape &amp; Wine Board</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>New York Grape and Wine Foundation</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Virginia Wine Board</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Washington State Wine Commission</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Wine Council of Ontario</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


**PROMISING PRACTICES**

Council members and key industry stakeholders who participated in the key informant interviews or community conversations or completed the online questionnaire see the industry ready to take make its next transition into the national and international markets. The best practice review aimed to find promising practices from other states. Michigan’s industry may be ready to consider the following promising practices looking forward:

- Build on current or engage in new partnerships to gain additional and leverage existing resources.
- Enhance marketing efforts by creating opportunities for innovative marketing initiatives that promote Michigan wines nationally.
- Enhance tourism efforts by utilizing technology to help consumers customize personal wine experiences.
- Improve communication to industry stakeholders and consumers through enhancements to the council’s website and newsletter, and increased use of social media outlets.
- Develop industry-wide standards and consider defining “quality” for the industry as a whole.
- Consider improving funding for research and education through self-assessments or partnerships with industry fund-raising efforts (for example, with the Michigan Wine Foundation).
Appendix A:  
*Key Informant Interview Questions*

**MICHIGAN’S GRAPE AND WINE INDUSTRY**

1. How would you characterize the current state of Michigan’s grape and wine industry?
2. What do you consider some of the challenges or greatest problems facing the industry?
3. What would you say are the best things (assets) about Michigan’s grape and wine industry?
4. What do you consider the top priorities for the Michigan grape and wine industry over the next five years?

**THE MICHIGAN GRAPE AND WINE INDUSTRY COUNCIL**

5. In your own words, what would you say is the Council’s mission?
6. According to the Council’s founding legislation, the Council’s role is to support research and analysis that will assist in growing the industry, provide educational activities to the industry and to promote Michigan wine grapes and wine. How well do you feel the Michigan Grape and Wine Industry Council is fulfilling this mission? (you may want to have the legislation handy that cites the general purpose of the Council – it has more detail – may not need it but good to have it handy)
   a. What does the council do best?
   b. What could the council do better?
7. The Council’s founding legislation also suggested providing financial aid programs to wine grape growers to increase plantings of wine grapes. The Council has chosen not to develop these programs, but rather to direct growers and investors to other sources of financial assistance. Do you agree with this strategy?
8. Are there other organizations you think could collaborate with the council to help it better fulfill its mission?
9. Given the top priorities you identified above (see Question 2), what role do you see the Michigan Grape and Wine Industry Council playing?
   a. Are there priorities that the council can impact?
   b. Are there priorities that you feel the council will not be able to impact?
   c. Are there other partners or organizations that could help the council address these priorities?

**LOOKING TOWARDS THE FUTURE**

10. When you think about the Michigan grape and wine industry, what do you feel most needs to be done or is most needed in the next 5-10 years?
   a. How do you think that needs to be accomplished?
   b. Who or what organization do you feel should take the lead in these efforts?
   c. Who is not at the table that should be when it comes to these needs?
11. Through periodic strategic planning activities over the past 25 years, the Michigan Grape and Wine Industry Council has adjusted their annual work plan to reflect the changing needs of the industry. The annual work plan is available on the Council’s website.
   a. Have you ever read an annual work plan of the Council?
   b. Have you attended any presentations where the Council’s plans were outlined verbally?

12. Below are the areas of focus of the council’s current annual work plan. These are the areas where the council dedicates the majority of its staff time and budget. How would you rate the importance of the below areas?

13. Why do you consider the areas you rated above as “very important” to be the most important?

14. Why did you consider the areas you rated as “not important at all” to be less important?

15. Is there anything else you would like to tell me about the current state of Michigan’s grape and wine industry or the role of the Michigan Grape and Wind Industry Council?
## Appendix B:
### Council’s Past Priority Areas

<table>
<thead>
<tr>
<th>Area of Focus</th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Not very important</th>
<th>Not at all important</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer education to build awareness, interest and support for Michigan wine</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>through events, paid advertising, social media etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michigan Grape and Wine Council Website</td>
<td>85</td>
<td>15</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Directing entrepreneurs to information that may assist in managing their</td>
<td>77</td>
<td>23</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>winery business, and assist Start-Up ventures in understanding the complexities</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>of the wine business.</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Serve as a source of information for the media and other stakeholders about</td>
<td>77</td>
<td>23</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>statistics and news about the Michigan wine industry.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support a culture that reflects the importance of “local food and beverage”</td>
<td>69</td>
<td>31</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>in the Michigan tourism and hospitality sectors.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Michigan Wine Country magazine</td>
<td>69</td>
<td>31</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Support viticulture and enology research</td>
<td>62</td>
<td>31</td>
<td>8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Annual Grape and Wine industry conference</td>
<td>62</td>
<td>38</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Assist in the development of regional educational programs for owners and</td>
<td>54</td>
<td>46</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>employees who will enter the industry – covering viticulture, enology,</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>marketing and business topics.</td>
<td></td>
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</tr>
<tr>
<td>Printed and electronic newsletters to provide pertinent information to</td>
<td>54</td>
<td>38</td>
<td>8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>members of the industry.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Michigan Wine and Spirits competition</td>
<td>46</td>
<td>46</td>
<td>8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>April Wine Month activities</td>
<td>38</td>
<td>46</td>
<td>8</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Monitor regulatory issues – local, state and federal</td>
<td>38</td>
<td>46</td>
<td>15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Provide input on public policy when requested. (Council is not allowed to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>lobby).</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Provide free point of sale materials for use by retailers, wineries,</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>distributors, and restaurants</td>
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<tr>
<td>Continue the Vintage Michigan Loyalty Program through retailers, hotels,</td>
<td>15</td>
<td>46</td>
<td>31</td>
<td>0</td>
<td>8</td>
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<tr>
<td>wineries and restaurants</td>
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</tbody>
</table>
Here are some other areas of focus that the Council has considered in strategic planning activities in the past 10 years. Please rate these as to their level of importance.

<table>
<thead>
<tr>
<th>Area</th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Not very important</th>
<th>Not at all important</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branding the Michigan wine experience with a common message.</td>
<td>77%</td>
<td>15%</td>
<td>0%</td>
<td>8%</td>
<td>0%</td>
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<tr>
<td>Incentives to stimulate investment in the industry such as subsidizing the cost of purchasing grapevines for new vineyards.</td>
<td>0</td>
<td>23%</td>
<td>38%</td>
<td>38%</td>
<td>0%</td>
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</tbody>
</table>
Appendix B: Work Plan Matrix
<table>
<thead>
<tr>
<th>Council Goals</th>
<th>Implementation Actions</th>
<th>Responsibility</th>
<th>Partners</th>
<th>Priority (M=medium H=high)</th>
<th>Agree or Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Marketing, Promotion, and Branding</td>
<td>1.1. Enhance links with tourism and &quot;locally grown&quot; food initiatives</td>
<td>Council staff</td>
<td>Michigan Restaurant Association and Travel Michigan</td>
<td>M</td>
<td>Agree (5)</td>
</tr>
<tr>
<td></td>
<td>1.1.1. Provide staff support for the Michigan Culinary Tourism Alliance.</td>
<td></td>
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<td>Questions/Comments:</td>
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<td></td>
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<td></td>
<td>- What is the future of the MCTA after the grant money is gone? Does the MGWIC have the resources to continue this without that additional money, or can the alliance stand on its own with the council as a member? I agree the alliance should continue and grow with wine as a component.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- The staff held the MCTA together without much help from other agencies. Now that the grant funding is gone, it will be difficult to keep up the momentum.</td>
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<td>Questions/Comments:</td>
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<td></td>
<td>- Now that the funding structure is dramatically changing for medium-sized CVBs, I believe we can piggyback with them to accomplish this goal.</td>
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<td>Questions/Comments:</td>
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<td>- I think a branding project should be created that is tailored to fit in with Pure Michigan – perhaps created in conjunction with someone from Travel MI who would be willing to support it after its creation (as in partnership with Pure MI), I think this should be a higher priority – set a clean, branded message, and then pursue other goals. We have to have consensus on this message first, which may be a challenge – is it diversity of offering? Pure MI, Pure Wines? Michigan Wines…some tag line?</td>
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<td></td>
<td>- I think this is a low priority.</td>
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<td>Questions/Comments:</td>
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<td></td>
<td></td>
<td>- I think this is a low priority.</td>
</tr>
<tr>
<td></td>
<td>1.1.2. Pursue Pure Michigan partnership to promote Michigan's wine industry in and outside of the state.</td>
<td>Council staff</td>
<td>Michigan Economic Development Corporation</td>
<td>H</td>
<td>Agree (7)</td>
</tr>
<tr>
<td></td>
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<td>Questions/Comments:</td>
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<td></td>
<td>- Now that the funding structure is dramatically changing for medium-sized CVBs, I believe we can piggyback with them to accomplish this goal.</td>
</tr>
<tr>
<td></td>
<td>1.1.3. Hire a consultant to facilitate a branding/image exercise. (See also 1.2.4. &amp; 1.4.3.)</td>
<td>Council staff</td>
<td>Wineries and wine trails</td>
<td>M</td>
<td>Agree (3)</td>
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<tr>
<td></td>
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<td></td>
<td>Neutral (1)</td>
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<td>Disagree (1)</td>
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<td>Questions/Comments:</td>
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<td></td>
<td></td>
<td>- I think this is a low priority.</td>
</tr>
<tr>
<td></td>
<td>1.1.4. Seek partnerships with other local industries (e.g., beer, cheese) to</td>
<td>Council staff</td>
<td>Wineries and wine trails</td>
<td>M</td>
<td>Agree (5)</td>
</tr>
<tr>
<td>Council Goals</td>
<td>Implementation Actions</td>
<td>Responsibility</td>
<td>Partners</td>
<td>Priority (M=medium H=high)</td>
<td>Agree or Disagree</td>
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<tr>
<td>promote Michigan wine products.</td>
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<tr>
<td>1.1.5. Enhance website to include interactive tourism planner.</td>
<td>Council staff</td>
<td>Wineries, wine trails, and Travel Michigan</td>
<td>M</td>
<td>Agree (3) Neutral (1) Disagree (1)</td>
<td>Agree (3) Neutral (1) Disagree (1)</td>
</tr>
</tbody>
</table>
| 1.2. Promote Michigan wines within the national and international markets   | 1.2.1. Council representation at national wine industry meetings.                        | Council and staff   |                                               | H                          | Agree (6)         | Questions/Comments:  
  • Would be interesting to see the other states that have done this, if they have high usage rates for this kind of tool or not before making it happen.  
  • This should be a low priority: this is an expensive proposition and already available through Travel Michigan.  
  • Is the website as good as it can be or is there way too much stuff on it? |
|                                                                              | 1.2.2. Pursue Pure Michigan partnership to promote Michigan's wine industry in and outside of the state. | Council staff       | Michigan Economic Development Corporation     | H                          | Agree (7)         | Questions/Comments:  
  • I think that in- versus out-of-state are different messages – too few MI wines are actually for sale out of state – the out-of-state message should be to come here for visits, while the in-state can also encourage purchasing the wine locally as well as at the winery.  
  • Now that the funding structure is dramatically changing for medium-sized CVBs, I believe we can piggyback with them to accomplish this goal. |
|                                                                              | 1.2.3. Promote capabilities of Michigan as a wine growing region.                        | Council and staff   |                                               | H                          | Agree (6)         | Questions/Comments:  
  • Ties in with branding exercise – what |
<table>
<thead>
<tr>
<th>Council Goals</th>
<th>Implementation Actions</th>
<th>Responsibility</th>
<th>Partners</th>
<th>Priority (M=medium H=high)</th>
<th>Agree or Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2.4. Hire a consultant to facilitate a branding/image exercise. (See also 1.1.3. &amp; 1.4.3.)</td>
<td>Council staff</td>
<td></td>
<td>M</td>
<td>Agree (4) Neutral (1) Disagree (1)</td>
<td></td>
</tr>
</tbody>
</table>

**Questions/Comments:**
- Diversifies our wines and what can we stand out from the crowd with?

| 1.3. Strengthen marketing efforts to retailers, including restaurants | 1.3.1. Broaden promotion of Michigan Wine Month Activities. | Promotion Committee and staff | Wineries, retailers, restaurants | M | Agree (5) Disagree (1) |

**Questions/Comments:**
- This should be a higher priority.
- I think this is a low priority.

| 1.3.2. Explore moving Michigan Wine Month from spring to late summer/early fall. | Promotion Committee and staff | | M | Agree (2) Disagree (4) |

**Questions/Comments:**
- We moved it to April for a reason, have started to build momentum and should continue on that path with increased promotion of the month.
- I think this should be a low priority: there are many reasons it was moved to April. The wineries are too busy in the fall to participate, and Travel MI can promote us much better in April when there aren’t a lot of other tourism opportunities to promote at the same time. Also this is the time that wineries release new vintages so it coincides with that very well.

| 1.3.3. Provide educational opportunities for retailers to learn about and taste Michigan wines (following Detroit tasting as a model in other regions of the state). | Promotion Committee and staff | Wineries, retailers, restaurants | M | Agree (6) |

**Questions/Comments:**
- Roadshow concept

| 1.3.4. Broadly disseminate signage, shelf talkers, and posters to distributors, wineries, and retailers. | Council staff | | H | Agree (6) |

**Questions/Comments:**
- Thought we already did a great deal of that – maybe we need to survey some key retailers to ask if the current materials are helpful or if they’d like to see something else.

<p>| 1.3.5. Expand Vintage Michigan Loyalty Program. | Promotion Committee and staff | Wineries, retailers, restaurants | H | Agree (5) Disagree (1) |</p>
<table>
<thead>
<tr>
<th>Council Goals</th>
<th>Implementation Actions</th>
<th>Responsibility</th>
<th>Partners</th>
<th>Priority (M=medium H=high)</th>
<th>Agree or Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4 Build consumer awareness and interest in Michigan wines</td>
<td>1.4.1 Review annual Promotion Work plan for maximum return on investment.</td>
<td>Promotion Committee and staff</td>
<td>MDARD marketing agency</td>
<td>H</td>
<td>Agree (6)</td>
</tr>
<tr>
<td>1.4.2. Promote new and existing wineries and wine trails.</td>
<td>Council staff</td>
<td>Wineries and wine trails</td>
<td>H</td>
<td>Agree (6)</td>
<td></td>
</tr>
<tr>
<td>1.4.3. Hire a consultant to facilitate a branding/image exercise. (See also 1.1.3. &amp; 1.2.4.)</td>
<td>Promotion Committee and staff</td>
<td>MDARD marketing agency</td>
<td>M</td>
<td>Agree (4)</td>
<td></td>
</tr>
<tr>
<td>1.4.4. Produce annual Michigan Wine Country magazine for wide dissemination.</td>
<td>Council staff</td>
<td>Publisher</td>
<td>H</td>
<td>Agree (6)</td>
<td></td>
</tr>
<tr>
<td>1.4.5 Encourage wineries to share in this effort.</td>
<td>Promotion Committee and staff</td>
<td>Wineries and wine trails</td>
<td>M</td>
<td>Agree (6)</td>
<td></td>
</tr>
<tr>
<td>1.5. Organize an annual wine competition.</td>
<td>1.5.1 Invite more out-of-state judges to raise more awareness of Michigan wines. (See also 2.2.1.)</td>
<td>Council staff and Advisory Committee</td>
<td></td>
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</tbody>
</table>

Questions/Comments:
- Seems to fall into the mission we’ve always had.
- This should be more a higher priority.
- I think this should be a low priority.
- This is a great tool for statewide coverage.
- Why produce a magazine? Is there something else that we could be doing to promote the industry?
- Wineries should share in building consumer awareness and interest in MI wines, but not sure what this line is getting at – what’s the “how” here that would be conveyed to the wineries? Certainly we all could do a better job with Vintage MI, or displaying Wine Country – but we all also have to work to promote ourselves as well.
- I like the idea of more out-of-state judges to create awareness, but I question their effectiveness. Are these folks trained in understanding Michigan’s wine style, or are they comparing us to their more widely...
<table>
<thead>
<tr>
<th>Council Goals</th>
<th>Implementation Actions</th>
<th>Responsibility</th>
<th>Partners</th>
<th>Priority (M=medium H=high)</th>
<th>Agree or Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>recognized warm climate styles of wine? I also find this competition does not garner an individual winery more out-of-state awareness since winning in your own state typically does not constitute a big deal outside that state. When a MI winery wins big in a Calif. or international competition, this is news. Perhaps by communicating the fact that the quality of judging has been raised (which is has) would help boost the attention this competition does receive.</td>
<td></td>
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<tr>
<td>This should be a high priority.</td>
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<td>Council Goals</td>
<td>Implementation Actions</td>
<td>Responsibility</td>
<td>Partners</td>
<td>Priority (M=medium H=high)</td>
<td>Agree or Disagree</td>
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<tr>
<td>2. Research and Education</td>
<td>2.1. Continue and expand viticulture and enology research and education with Michigan State University.</td>
<td>Research and Education Committee and staff</td>
<td>MSU</td>
<td>H</td>
<td>Agree (5)</td>
</tr>
<tr>
<td></td>
<td>2.1.1. Review the 2006 report to Dean Armstrong to determine research, extension and education priorities.</td>
<td>Research and Education Committee and staff</td>
<td>MSU</td>
<td>M</td>
<td>Agree (5)</td>
</tr>
<tr>
<td></td>
<td>2.1.2. Survey grape growers and winemakers to determine any new research needs.</td>
<td>Research and Education Committee and staff</td>
<td>MSU</td>
<td>M</td>
<td>Agree (5)</td>
</tr>
<tr>
<td></td>
<td>2.1.3. Look for opportunities to collaborate with additional research universities.</td>
<td>Council staff</td>
<td>MSU</td>
<td>M</td>
<td>Agree (5)</td>
</tr>
<tr>
<td></td>
<td>2.1.4 Develop business/ economic models.</td>
<td>Research and Education Committee and staff</td>
<td>MSU</td>
<td>M</td>
<td>Agree (5)</td>
</tr>
<tr>
<td>2.2. Organize an annual wine competition.</td>
<td>2.2.1. Invite more out-of-state judges to raise more awareness of Michigan wines.</td>
<td>Council staff and advisory committee</td>
<td></td>
<td>M</td>
<td>Agree (3) Neutral (1) Disagree (1)</td>
</tr>
</tbody>
</table>

Questions/Comments:
- What do we want to do with research? Research proposals total $175,000 of the budget. We need to have a discussion about how to do research and what we need to do to set up for next steps in research that will move the industry forward. Does the research committee have a council person attending meetings?
- Seems this would be higher than the one above it
- Can these be found from other states, no need to re-create the wheel? I presume this is to help start-ups understand what is required before getting into the wine bus.
- I like the idea of more out-of-state judges to create awareness, but I question their effectiveness. Are these folks trained in understanding Michigan’s wine style, or are they comparing us to their more widely recognized warm climate styles of wine? I also find this competition does not garner an individual winery more out-of-state awareness since winning in your own state typically does not constitute a big deal outside that state. When a MI winery wins big in a Calif. or international competition, this is news. Perhaps
<table>
<thead>
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<th>Council Goals</th>
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<th>Priority (M=medium H=high)</th>
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<td>by communicating the fact that the quality of judging has been raised (which is has) would help boost the attention this competition does receive.</td>
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<td>• This should be a high priority.</td>
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<tr>
<td><strong>3.1. Cultivate support for the Michigan wine industry with state legislators</strong></td>
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</tr>
<tr>
<td>3.1.1 Work closely with the Michigan Wine Producers Association on legislative communication and outreach activities.</td>
<td>Council and staff</td>
<td>Michigan Wine Producers Association, wineries and other lobbying groups</td>
<td>M</td>
<td>Agree (4) Disagree (1)</td>
<td></td>
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<tr>
<td>Questions/Comments:</td>
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<tr>
<td>- Think that MWPA should be doing legislative communication and sharing their activities with the council – this section could be accomplished through other means.</td>
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<tr>
<td>- This takes away valuable council resources (i.e., people, time).</td>
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<tr>
<td>3.1.2. Distribute educational materials to legislators.</td>
<td>Council staff</td>
<td></td>
<td>H</td>
<td>Agree (4) Disagree (1)</td>
<td></td>
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<tr>
<td>Questions/Comments:</td>
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<tr>
<td>- This should be a medium priority. Perhaps this is best conducted through Rob Elhenicky who has direct and regular contact with the legislators through the MWPA to save staff time.</td>
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<td>- To what extent can the council do this without it being considered lobbying?</td>
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<tr>
<td>- What educational materials?</td>
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<tr>
<td>3.1.3 Invite legislators to key council events.</td>
<td>Council and staff</td>
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<td>H</td>
<td>Agree (5)</td>
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<td><strong>3.2. Enhance industry newsletters.</strong></td>
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<tr>
<td>3.2.1. Provide more in-depth educational articles.</td>
<td>Council staff</td>
<td>MSU</td>
<td>M</td>
<td>Agree (3) Disagree (2)</td>
<td></td>
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<tr>
<td>Questions/Comments:</td>
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<tr>
<td>- This is a medium to low priority. We can’t get the industry to read the newsletter, do they have time to peruse articles online?</td>
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<td>3.2.2 Notify the industry of new wineries. (See also 4.3.2.)</td>
<td>Council and staff</td>
<td></td>
<td>H</td>
<td>Agree (4) Neutral (1)</td>
<td></td>
</tr>
<tr>
<td>3.3 Enhance website capabilities for industry communication and education.</td>
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</tr>
<tr>
<td>3.3.1 Promote available grape growing and winery resources (e.g., online vineyard site selection, business models). (See also 4.1.1.)</td>
<td>Council staff</td>
<td>MSU</td>
<td>H</td>
<td>Agree (4)</td>
<td></td>
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<tr>
<td>Questions/Comments:</td>
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<tr>
<td>- Have a section for matching buyers and sellers?</td>
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<tr>
<td>3.4 Organize an annual Grape and Wine Conference</td>
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</tr>
<tr>
<td>3.4.1 Provide educational opportunities for grape growers, wine makers, and winery owners, including internal industry wine tastings for the professional development of winemakers.</td>
<td>Conference Committee and staff</td>
<td>MSU</td>
<td>H</td>
<td>Agree (6)</td>
<td></td>
</tr>
<tr>
<td>Questions/Comments:</td>
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<tr>
<td>- How can the conference be expanded or tweaked to better serve the industry’s needs?</td>
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</tr>
<tr>
<td>4. Business Development</td>
<td>4.1. Develop and promote resources (e.g., industry guidelines, and best practices) to support grape and wine quality.</td>
<td>4.1.1. Broadly disseminate information about the vineyard site selection resources. (See also Activity 3.3.1.)</td>
<td>Council and staff</td>
<td>H</td>
<td>Agree (5)</td>
</tr>
<tr>
<td>-------------------------</td>
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<td>-------------------------------------------------------------------------------------------------</td>
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<td></td>
<td>Questions/Comments:</td>
<td>Questions/Comments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>● Do this once it’s complete and share with townships and MEDC?</td>
<td>● I rate this as a medium to high priority.</td>
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<tr>
<td>4.1.2 Monitor grant and other forms of financial assistance opportunities for the Michigan wine industry.</td>
<td>Council staff</td>
<td>Council staff</td>
<td>M</td>
<td>Agree (4)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Questions/Comments:</td>
<td>Questions/Comments:</td>
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<td></td>
<td>● I rate this as a medium to high priority.</td>
<td>● Other states, and countries like Australia</td>
<td></td>
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<tr>
<td>4.1.3 Monitor best practices from other states.</td>
<td>Council and staff</td>
<td>Council and staff</td>
<td>M</td>
<td>Agree (5)</td>
<td></td>
</tr>
<tr>
<td>4.1.4 Engage with MDARD Rural Development Team to access resources to assist in growth of the wine industry.</td>
<td>Council and staff</td>
<td>Council and staff</td>
<td>H</td>
<td>Agree (5)</td>
<td></td>
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<td></td>
<td>Questions/Comments:</td>
<td>Questions/Comments:</td>
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<td></td>
<td>● In tandem with increased sales of MI wine or we will be out of balance</td>
<td>● In tandem with increased sales of MI wine or we will be out of balance</td>
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</tr>
<tr>
<td>4.2. Support demand for Michigan grapes.</td>
<td>4.2.1. Assess current acreage of wine grapes.</td>
<td>Staff</td>
<td>MSU and USDA</td>
<td>H</td>
<td>Agree (5)</td>
</tr>
<tr>
<td></td>
<td>Questions/Comments:</td>
<td>Questions/Comments:</td>
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<td></td>
<td>● Along with revised economic impact study</td>
<td>● I’m not sure we should be telling anyone how to run their business, if they can get more money elsewhere, they are going to do it, but I’m not sure what percentage of MI wine grapes are going out of state now?</td>
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<tr>
<td>4.2.2. Encourage grape growers to sell within the state.</td>
<td>Council</td>
<td>Grape growers and wineries</td>
<td>M</td>
<td>Agree (4)</td>
<td></td>
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<tr>
<td></td>
<td>Questions/Comments:</td>
<td>Questions/Comments:</td>
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<td></td>
<td>● I’m not sure we should be telling anyone how to run their business, if they can get more money elsewhere, they are going to do it, but I’m not sure what percentage of MI wine grapes are going out of state now?</td>
<td>● I’m not sure we should be telling anyone how to run their business, if they can get more money elsewhere, they are going to do it, but I’m not sure what percentage of MI wine grapes are going out of state now?</td>
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<tr>
<td>4.2.3. Identify new acreage targets.</td>
<td>Council and staff</td>
<td>Council and staff</td>
<td>H</td>
<td>Agree (5)</td>
<td></td>
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<td></td>
<td>Questions/Comments:</td>
<td>Questions/Comments:</td>
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<td></td>
<td>● Again, realistically based on how much can we sell?</td>
<td>● Investment when matched with sales program/plan to handle that increase in vineyard.</td>
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<td>● Must not encourage over-planting.</td>
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<tr>
<td>4.2.4. Foster investment to expand current acreage.</td>
<td>Council</td>
<td>Council</td>
<td>M</td>
<td>Agree (4)</td>
<td></td>
</tr>
<tr>
<td>4.3. Define who is represented by the council</td>
<td>4.3.1 Review the council’s eligibility standard (51% Michigan fruit) and make any necessary changes.</td>
<td>Council and staff</td>
<td>MSU</td>
<td>H</td>
<td>Agree (3) Disagree (2)</td>
</tr>
</tbody>
</table>

**Questions/Comments:**
- This should be a low priority. I think this standard is fine. Raising it would decrease the number of wineries currently on the list, potentially some of the big players that do a lot of brand work for the industry.
- Our Community Conversation felt strongly about the MGWIC raising the % of MI product in wines to be eligible for participation in council promotion. This didn't make it to the final plan, but I would like to make sure it doesn't fall through the cracks.

| 4.3.2 Notify the industry of new wineries. (See also 3.2.2.) | Council and staff | H | Agree (3) |
5. Funding

| 5.1. Explore opportunities for the industry to embrace a self-assessment process to support additional coordinated statewide activities to drive continued growth of the Michigan wine industry. | 5.1.1 Form subcommittee of council to discuss various models of self-assessment. | Council staff | M | Agree (4)  
Disagree (1)  
Questions/Comments:  
- This should be a medium to low priority. First outlining what the specific goals would be for increased funds, a strong case would need to be made for the usage of funds from a self-assessment.  
5.1.2. Provide recommendations to council on how to move forward with proposed self-assessment. | Council sub-committee and staff | M | Agree (4)  
Questions/Comments:  
- Probably should be done first, before any of the above.  
5.1.3 Survey grape growers and winery owners to explore interest in self-assessment. | Council sub-committee and staff | M | Agree (4)  
Questions/Comments:  
- Probably should be done first, before any of the above. |

Additional comments from council members:

- Are terms for council members too short?
- The council needs to pick four things that it wants to pursue and do well.