



Viticulture & Enology Education Center Town of Purcellville & Loudoun County

Proposed Business Plan: Phase I

December 9, 2014

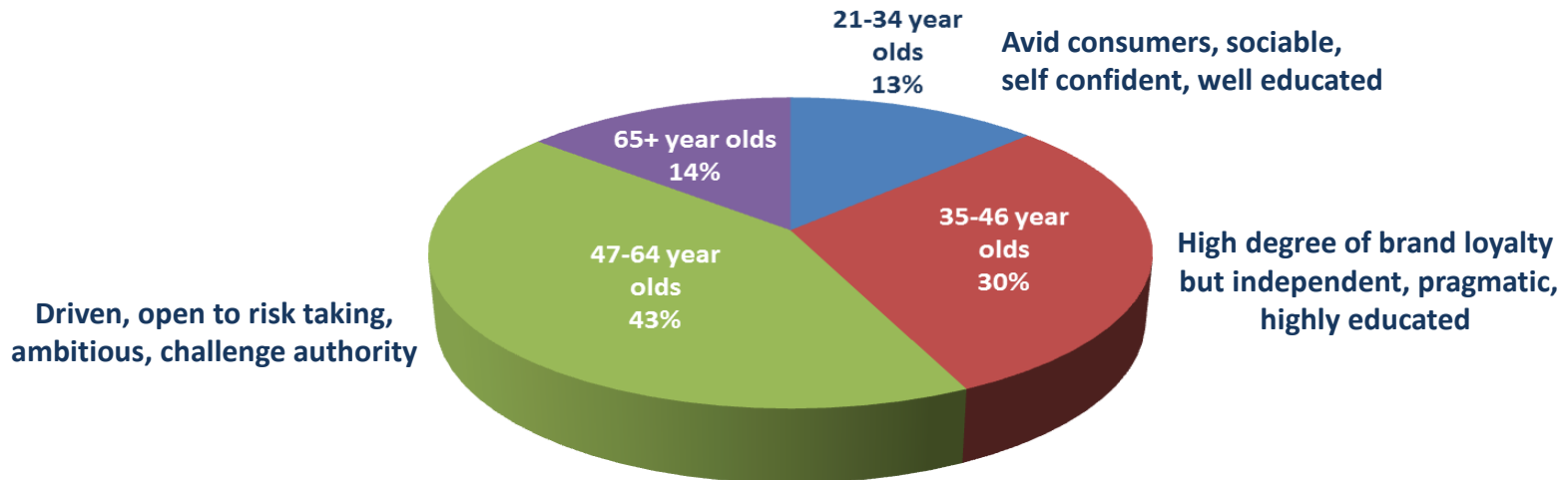
Prepared by Virginia Tech



US Wine Industry

In the last 15 years, wine sales in the US have more than doubled, to \$36 billion in 2013

Customer base is diverse and open to new products



Source: State of the Wine Industry 2012-2013, R McMillan

Virginia Wine Industry Status

2010 Virginia wine sales: \$56 million
(out of \$30 billion for US)

US production: 701 million gallons

Virginia production: 1 million gallons (No. 12 in US)

2010 Virginia grape sales: \$11 million
(out of \$3.6 billion for US)

US grape production: 7.4 million tons

Virginia grape production: 6,600 tons (No. 8 in US)

2010 Virginia vineyard & winery employees: 1,360
(out of 300,000+ in US)

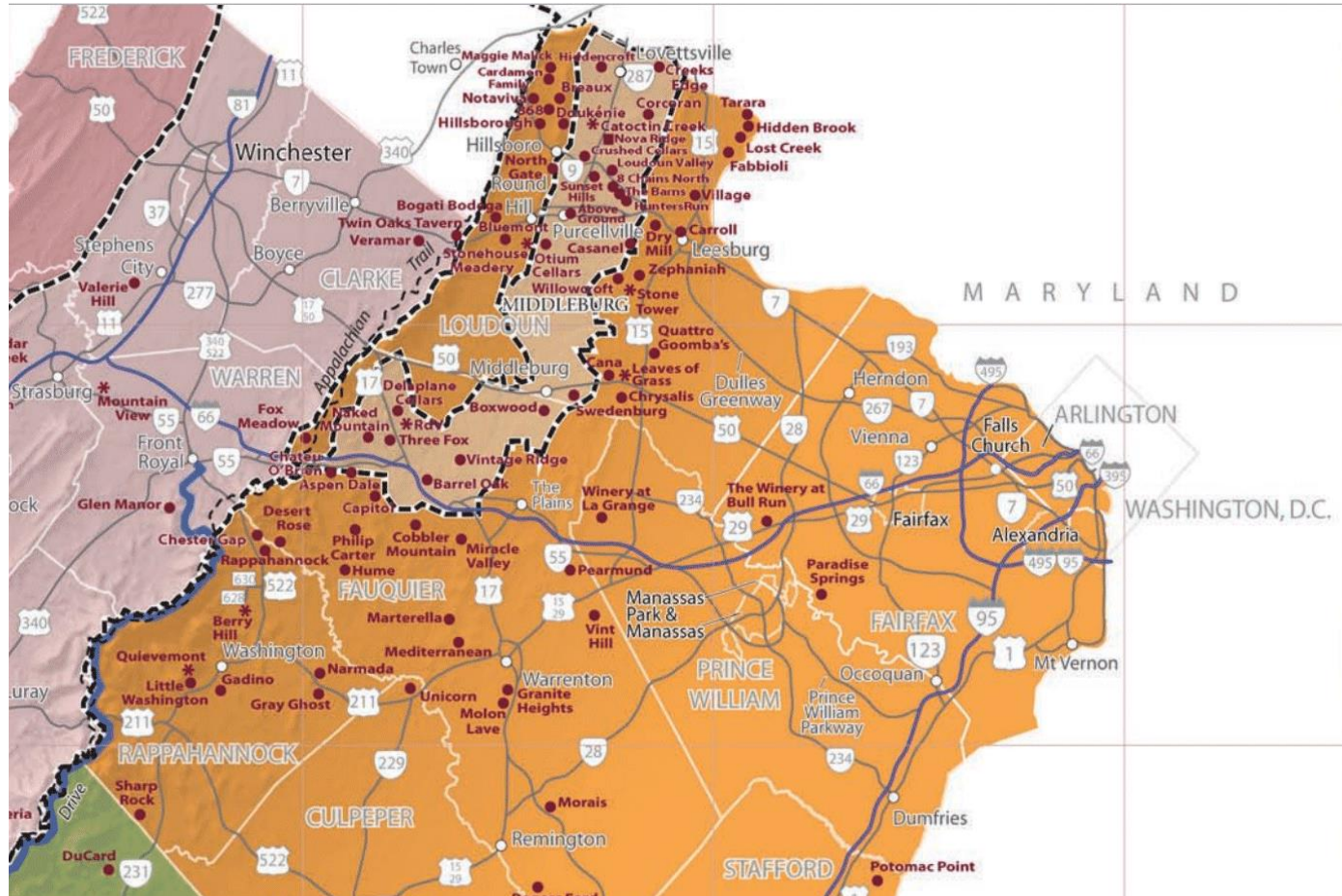
**Sources: *The Economic Impact of Wine and Wine Grapes on the State of Virginia – 2010*,
Frank, Rimerman & Co, February 2012; USDA NASS; Napa Valley Register**

Proprietary Information



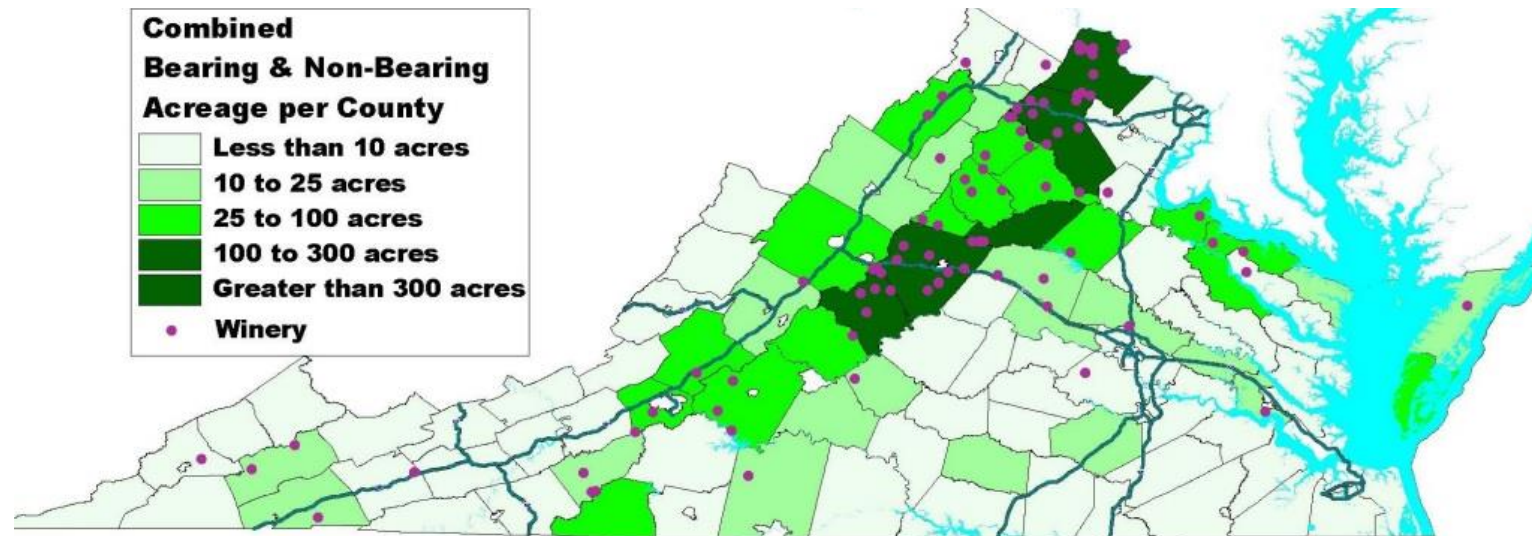
Northern Virginia Wine Industry Status

Has >80 wineries (out of >250 in Virginia)



Northern Virginia Wine Industry Status

Virginia Grape Production Acreage, by County



Virginia has ~3,000 acres total; Northern Virginia has >1,000 acres
Oregon, Michigan & Pennsylvania have 13,600 – 16,900 acres each
New York has 37,000 acres; Washington State has 61,000 acres

Source: Commercial Grape Growing "Primer", 2014 Wineries Unlimited, T Wolf et al, March, 2014

Virginia Wine Industry Status

Statements from Virginia Wine Board Strategic Marketing Plan 2012-2020:

Virginia wine industry has achieved significant milestones over the past decade

Virginia wine brand suffers from the perception that it produces

Too few high-quality wines

Wines of inconsistent quality

Source: Virginia Wine Board's Strategic Marketing Plan 2012-2020

Virginia Wine Industry Status

Statement from Virginia Wine Board Strategic Marketing Plan 2012-2020:

Immaturity of industry is visible through lack of locally available training and expertise needed to support winemakers & viticulturists

Virginia Tech Northern Virginia wine industry survey found:

Current vineyard workforce is about 75% self-taught and/or received their training through internships/apprenticeships

Viticulture training was perceived as biggest need that an Educational Center could provide

**Sources: Virginia Wine Board's Strategic Marketing Plan 2012-2020;
Virginia Tech Survey of Northern Virginia Wine Industry**

Proprietary Information



Virginia Wine Industry Conclusion

What the Northern Virginia wine industry
needs:

A better educated/trained viticulture workforce
that will support increased grape production
and higher quality wine grapes

Viticulture & Enology Education Center

Proposed Mission: Phase I

Provide viticulture education and training to the Northern Virginia grape and wine industry as a means of enhancing the quantity and quality of regional wines and wine grapes so they may better compete and excel in the marketplace

Wine studies could be added as Phase II

Viticulture & Enology Education Center Phase I

Customers' Objectives:

Vineyard Workforce

Advancement potential; higher salaries

Vineyard Owners

Higher productivity; more & better quality grapes

Winery Owners

More & higher quality wines

Town of Purcellville & Loudoun County

Economic Development

Viticulture & Enology Education Center

Viticulture Educational Programs

Science based, hands-on curricula that prepare graduates for

- Developing & implementing vineyard canopy, pest and crop management practices
- Developing site plans and installing the infrastructure needed for a commercial vineyard
- Having the required knowledge for selecting and operating vineyard equipment & tools

Hands-on sessions and practicums will use both

- Local vineyards (exclusively in initial years)
- Teaching vineyard (once created)

Viticulture courses will be taught in classrooms in Purcellville

Viticulture & Enology Education Center

Educational Programs: For Credit

Career Studies Certificate

- Designed for enhancing job/life skills, retraining for career changes and/or investigating new career possibilities

Certificate

- Prepares students for a specific job
- Credits earned may be used toward AAS degree

Associate of Applied Science (AAS)

- Certificate Program plus ~30 general education course credits
- Prepares students for employment in a technical field immediately following graduation

Would be unique programs in Virginia

Students wanting to attend courses will also be accommodated

Viticulture & Enology Education Center

Examples of Programs on East Coast

Finger Lakes Community College – Geneva, NY

- Viticulture & Wine Technology Program started in 2009
- Serves needs of the 200 small vineyards & 120 small wineries in Finger Lakes Region
- Has 2.5 acre teaching vineyard; will add teaching winery in January 2015

Surry Community College – Dobson, NC

- Viticulture and Enology Program started in 1999
- About 40 wineries in the Yadkin Valley Region
- Has 5 acre teaching vineyard and teaching winery
- Offers distance education opportunities through VESTA courses

Virginia Piedmont Community College - Charlottesville

- Non-credit seminar series Viticulture & Enology certificate programs
- Each certificate program consists of 9 – 10 one-day sessions, each focused on one topic

Patrick Henry Community College - Martinsville

- Viticulture Career Studies Certificate Program
- Student enroll minimums are a current problem

Viticulture & Enology Education Center Business Plan

Verify the audience for the proposed programs

- Start with one-year trial certificate program and show there is sufficient interest for continuing program

Develop curriculum

- Build on experience of Virginia Piedmont & Patrick Henry Community Colleges
- Build on existing offerings of Virginia Cooperative Extension
- Incorporate expertise available at Virginia Tech
- Integrate expertise/facilities of regional wine & grape industry

Create relationship with local, accredited higher education institution

- Provides required academic infrastructure and program accreditation
- Offers general education courses
- most suitable partner is Northern Virginia Community College

Proposed VEEC Educational Program Business Plan

One-year trial program requires ~\$100,000 in funding

Seek government support:

- \$50,000 from Specialty Crops Grants Program:
 - USDA funded, administered by VDACS
 - Proposal submission in Spring; awards made in October
- \$10,000 - \$20,000 from Virginia Wine Marketing Grant Program

*Virginia FAIRS may provide assistance
in securing grants*

Regional support may be required as well

Proposed VEEC Educational Program Business Plan

One-year trial program requires ~\$100,000 in funding

Additional funding sources, with lower probability of success:

- \$30,000 - \$40,000+ from USDA Secondary Education, Two-Year Postsecondary Education, and Agriculture in the K-12 Classroom Challenge Programs (SPECA)
 - Promote education in agriscience and agribusiness to help ensure the existence of a qualified workforce
 - Typical awards of ~\$50,000+ (25% non-Federal match required)
- \$50,000 from Southern Risk Management Education Center Grant Program
 - Program focus is reducing production, marketing, financial, legal & human resources risks for farmers/ranchers
 - Typical awards of \$30,000 - \$50,000+

Proposed VEEC Educational Program

Business Plan

After successful trial program:

- Establish (permanent) Viticulture Certificate & AAS Degree Programs
- Identify/establish semi-permanent classroom facility for viticulture courses in Purcellville
- Create 2-acre teaching vineyard

Proposed site: Aberdeen Farm (owned by Town)

Requires additional funding of \$30,000

Proposed VEEC Educational Program Development Time Line

