
THE VIRGINIA WINE INDUSTRY OVERVIEW

Virginia Wineries

In 2020, Virginia reported had 264 wineries, 26 cideries, and 11 meaderies of various sizes and business models. The state is also home to nine American Viticultural Areas (AVA). Most wineries are small and produce less than 5000 cases per year.

Virginia Wine Sold

In 2015, wine production in Virginia grew by approximately 60% over 2010 to 1.7 million gallons bottled in 2015, ranking Virginia as ninth in the nation in wine production.

Economic Impact of Virginia Wineries

In February 2017, the Virginia Governor's office released its most recent wine industry economic impact study for the year 2015. Virginia's wine, grape and related industries increased the total economic value to the state of Virginia from approximately \$747 million in 2010 to \$1.37 billion in 2015, or an overall increase of 83%.

Virginia Wine Board

Part of Virginia's Department of Agriculture and Consumer Services

- **Purpose** – Created by the Virginia General Assembly in 1984 for the purpose of promoting the interests of Virginia vineyards and wineries through research, education and marketing.
- **Composition** – The Board consists of 10 members, nine of whom have voting privileges, all appointed by Virginia's governor for four-year terms. Three of the Board members are growers and six of which represent wineries.
- **Funding** – Approximately two-thirds of the Board's budget goes towards marketing, with the remaining third spent on wine-related research and education. The 2020-2021 budget was \$2,782,245 with 1/3 minimum going to research (\$927,415) and 2/3 to Marketing and Administration (\$1,854,830).
- **Vision 2015: A Strategic Direction for the Virginia Wine Industry** – The Board operates under a strategic plan with specific objectives they hope to achieve by 2015.
- **Virginia Wine Marketing Office** – Funded through the Virginia Wine Board, the Marketing Office handles the Board's education and marketing efforts on behalf of all Virginia wineries. With a staff of four full time employees and one part-time, the VWBMO carried out a wide variety of marketing programs. Below are some of the highlights of their marketing efforts. The total budget for FY 2021 was 1,402,350.00.

The Wine Marketing Office's core marketing priorities and objectives include:

- Build brand awareness for Virginia wine.
- Increase availability of Virginia wines on wine lists and on store shelves within Virginia
- Drive visitors to Virginia wineries
- Expand Virginia wine sales within additional markets along the East Coast, with an emphasis on Washington DC, Maryland, and the Southeast

Marketing and Distribution

As the result of court action, Virginia wineries lost the right to self-distribute wine in July 2006. As a direct result, in 2007, the Virginia General Assembly passed legislation that allows the Department of Agriculture and Consumer Services to serve as a wine wholesaler. In turn, the Department established the **Virginia Wine Distribution Company**. It is a non-profit, non-stock corporation that provides wine distribution services to Virginia farm wineries. Wineries are limited to shipping less than 3000 cases to in-state ABC retail license holders. Wineries using this service are charged \$5.00 per transaction. The wineries can also choose to use traditional wine wholesalers.

Signage

The use of signs to direct customers to wineries is covered under the **Tourist Oriented Directional Signs (TODS)** program or the **Virginia Logo Signing Program (LOGOS)** both administered by the Virginia Department of Transportation (VDOT).

- **Tourist Oriented Directional Signs (TODS)** Businesses (wineries included) or activities can participate if a substantial portion of its products or services are of significant interest to tourists. Eligible businesses must be located within 15 miles of the intersection of a non-controlled access state primary system highway where the initial TODS panel will be located. Significant additional requirements apply. There is a \$100 application fee per sign and the primary sign costs \$450.
- **Virginia Logo Signing Program (LOGOS)** These signs are for controlled access highways, mainly interstate highways. The signs list available services and attractions available at an upcoming highway interchange. Eligible wineries must be located within 15 miles of the interchange. Multiple additional requirements apply. The sign cost for high volume interchanges, per direction, is \$1000 and includes a ramp sign. Signs at regular volume interchanges, per direction, cost \$800 including a ramp sign. Additional signs, if needed, are \$150 each for either high or regular volume interchanges.

Governor's Cup Virginia Wine Competition

In December 2011, the Governor announced a revamped and enhanced Governor's Cup Wine Competition. According to the press release announcing the changes, the competition will be one of the most stringent and thorough wine competitions in the country. It contains a major educational component. The event is a partnership between the Virginia Wine Board, the Virginia Wineries Association and the Virginia Vineyards Association.

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