

IWVA SUMMER MEETING

Annual Business Meeting

IWA ANTITRUST STATEMENT

While it is entirely appropriate for members of the Indiana Winery and Vineyard Association to meet as a group to discuss common problems and areas of interest, it must be kept in mind that the member firms of the Association are competitors. It is a fundamental principle of U.S. antitrust laws that competitors may not act in any matter to restrain competition among themselves with reference to price, quality, or distribution of any products, and they may not act in concert to restrict the competitive capabilities or opportunities of their competitors, suppliers, or customers.

The Indiana Winery and Vineyard Association treats its obligations under the antitrust laws with the utmost seriousness and strives to avoid even the appearance of anticompetitive agreements among its member firms. It is imperative that members and staff of the Association not discuss, whether formally or informally, individual member firm business matters regarding prices, participation in specific third party programs, profits, geographic strengths and weaknesses, costs of doing business, refusals to do business with a supplier or a category of customer, market shares, marketing practices or any other means of competition. Members must conduct all relations with competitors as if in the public eye and avoid any action that may be misinterpreted as a “signal” to another firm. When in doubt, refrain from any questionable activity or consult legal counsel.

 **WELCOME AND INTRODUCTIONS - WINERIES**

Belgian Horse Winery

Best Vineyards

Black Dog Vineyard

Blackhawk Winery

Brown County Winery

Butler Winery

Country Heritage

Winery

Country Moon Winery

Daniel's Vineyard

Dulcius Vineyards

Easley Winery

Elevations, Inc

French Lick Wine & Spirits

Hartland Winery

Oliver Winery

Owen Valley Winery

Patoka Lake Winery Inc

Running Vines Winery

Somermeyer Farms

Sugar Creek Winery

The Rejoicing Vine

The Topsy Glass Winery

Tonne Winery

Two-EE's Winery

Whyte Horse Winery

Winzerwald Winery

➤ INTRODUCTIONS - 2022 BOARD & STAFF

OFFICERS

Jennifer Lutter, President
Country Heritage Winery

Shane Christ, Past President
Hartland Winery

Deb Miller, Secretary
Blackhawk Winery

Ben Schrodt, Treasurer
Brown County Winery

DIRECTORS

Rep. Steve Bartels, Patoka Lake Winery

Pete Batule, Oliver Winery

Jim Butler, Butler Winery & Vineyard

Meredith Easley, Easley Winery

Tony Leaderbrand, Owen Valley Winery

Christian Huber, Huber Winery

Blake Trobaugh, Daniel's Vineyard

STAFF SUPPORT:

The Corydon Group

Rachel Gibson,
Executive Director

Chris Gibson,
Primary Lobbyist

Steve Wolff,
Secondary Lobbyist

Kim Williams
Cassie Denney
Association Mgmt Team



2022 WINTER MEETING MINUTES - 2/15/22

SEE HANDOUT



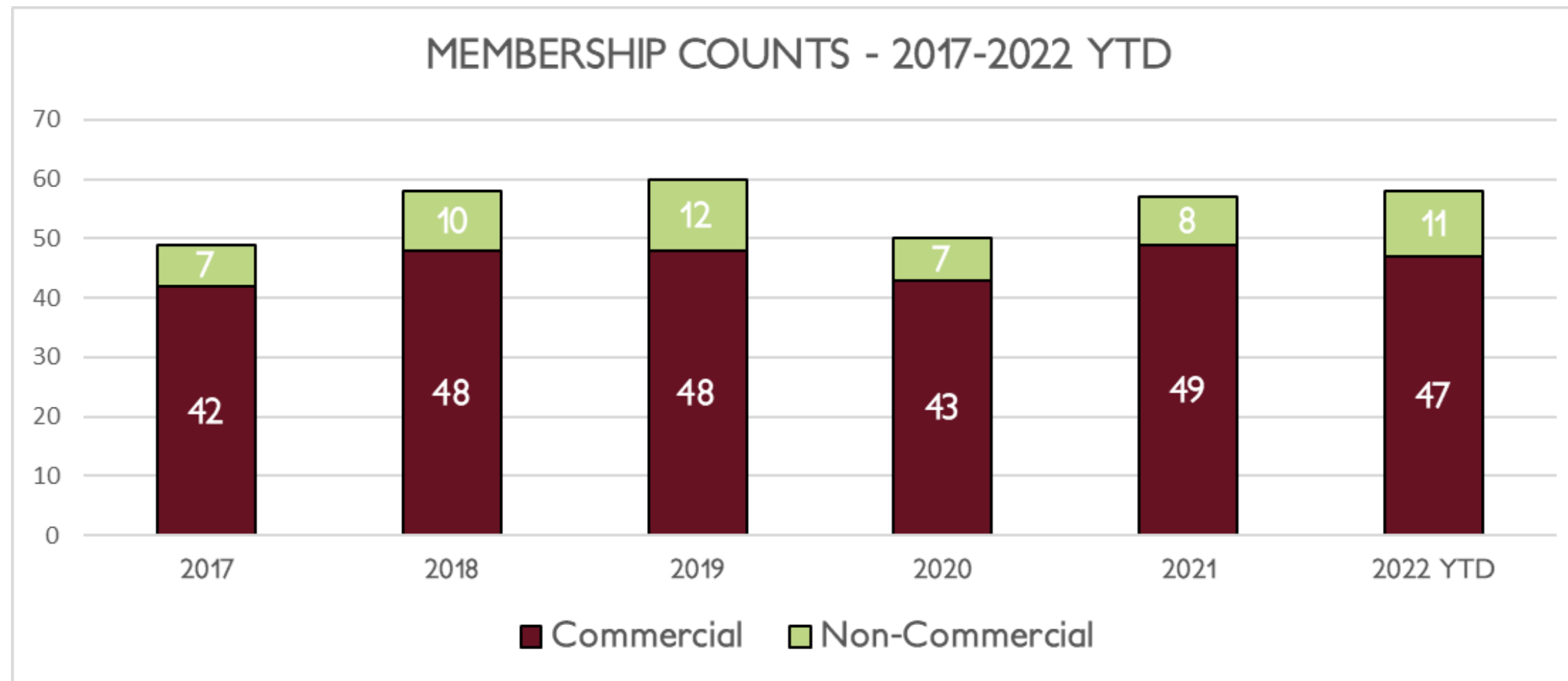
IWVA Winter Membership Meeting – February 15, 2022

MINUTES

- I. Shane Christ called the meeting to order.
- II. Shane acknowledged board members, staff and wineries in attendance and thanked them for their participation.
- III. Rachel Gibson read the Anti-Trust Statement aloud.
- IV. Legislative Update:
 1. Chris Gibson reported that HB 1298 which includes language regarding tastings at Farmers Markets and a solution for the cross-permit issue is still alive. There is a chance that the tastings language will be removed in the version that gets voted out of the Senate Public Policy Committee but that has not been confirmed.
 2. Rachel reviewed bills of significance from 2021:
 - a. SEA 227: increased the fines for drift incidents caused by restricted use pesticides.
 - b. SEA 144: allows wineries who are selling outside of Indiana to compete with other brands by lifting the bulk wine restrictions for wholesale sales. (Limitations remain for direct to consumer sales to maintain an even playing field in-state for all Indiana Farm Wineries.)
 - c. HEA 1396:
 - i. Allows for permanent curbside delivery under certain conditions.
 - ii. Allows for limited self-distribution for wineries selling less than 15,000 gallons per year who do not use a wholesaler.
- V. Association Business Update
 1. A motion to approve the minutes from the July 20, 2021 membership meeting was made, seconded and carried.
 2. Ben Schrodt gave a financial report of the association's accounts.
 3. Shane Christ reported the election results from the 2021 Board Election:
 - a. Meredith Easley (Easley Winery) and Anthony Leaderbrand (Owen Valley Winery) were re-elected; Blake Trobaugh (Daniel's Vineyard) was elected as a new board member.
 - b. Shane thanked Larry Simmons and Dennis Dunham for their service to the board.
 - c. Shane introduced Jennifer Lutter as the new IWVA President and turned the meeting over to her.
 4. Jennifer gave an overview of her vision for 2022, which included building the membership ranks and clarifying our mission. She encouraged all members to get involved and bring other non-member wineries into the organization.
- VI. There was no old business to address.
- VII. There was no new business to address.
- VIII. The meeting was adjourned at 10:53 am.

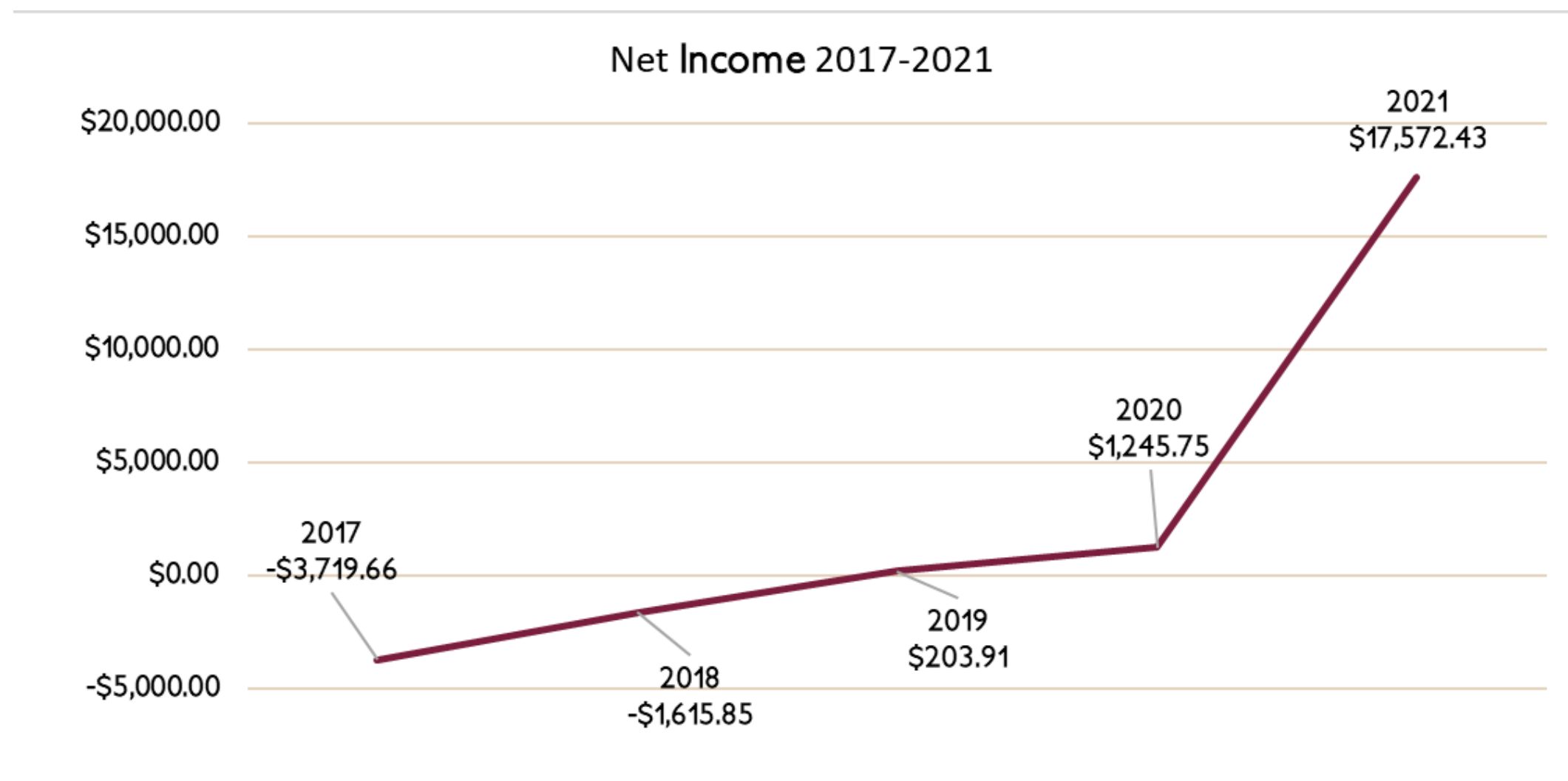
➤ FINANCIAL REPORT

IWVA's membership numbers are holding steady:



➤ FINANCIAL REPORT

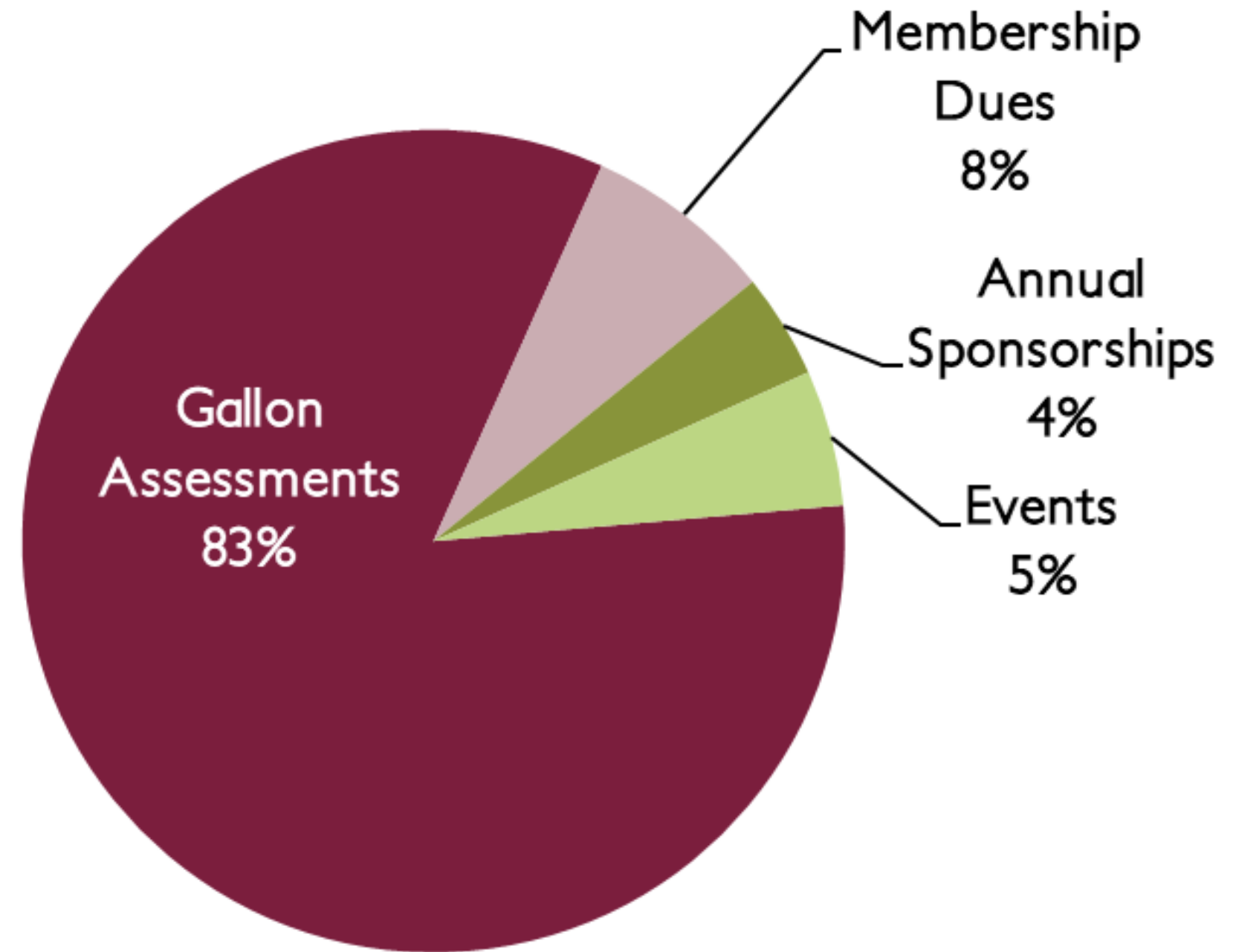
Net Income is trending up due to increased wine sales and gallon assessments:



➤ FINANCIAL REPORT

2021 Revenue by Category

Membership Dues are important to the association, but our operations are only made possible through funding from the annual Gallon Assessments.



➤ LEGISLATIVE UPDATE - 2022 SESSION

HEA 1298 (Smaltz)

- Tastings at Farmers Markets - No change
 - Language was filed but ultimately removed from the bill
 - Can still attend Farmers Markets
 - May sell by the bottle for carryout
 - May NOT do tastings, or sell by the glass

➤ LEGISLATIVE UPDATE - 2022 SESSION

HB 1298 (Smaltz)

- Cross-Permit Issue - Created new Temporary Craft Manufacturer Hospitality Permit
 - Addresses the problem of being denied trade show/expo (festival) permits on the premises of an otherwise licensed alcohol permittee

➤ **LEGISLATIVE UPDATE - 2022 SESSION**

Temporary Craft Manufacturer Hospitality Permit:

- Umbrella permit obtained by the event organizer
- Allows events to occur in a permitted civic center (IC 7.1-3-1-25), hotel (IC 7.1-3-20-18 through -21), state fairgrounds (IC 7.1-3-21-14), economic development area (IC 7.1-3-20-16.8), or state park (IC 7.1-3-17.8)
- Must be filed 5 days prior to event
- Must include a floor plan that is well defined
- Cannot be in the same area as an operational bar

➤ **LEGISLATIVE UPDATE - 2022 SESSION**

Temporary Craft Manufacturer Hospitality Permit

- Must identify each craft producer who is participating
- Event must be a convention/trade show/exposition
- Permit is valid for 15 days but daily fees apply (\$50/day/participant)
- Valid for on-premise or carryout consumption
- Counts against 45 trade show/expo permits
- Can only sell your own products
- Minors can be present if underlying premises allows

➤ **2023 SESSION – POTENTIAL ISSUES**

- RTD Dynamics
- Excise Taxes/Budget Year
- Distilled Spirits DTC

➤ **LEGISLATIVE UPDATE - RECAP OF OTHER RECENT PERMIT CHANGES**

- **HEA 1396 (2021) - Passed permanent Curbside Delivery**
 - Must be in original, sealed container
 - Must be placed by an employee at least 21 years old
 - Must be placed in the trunk or behind last upright seat
 - Employee must verify customer's age
 - Parking lot must be
 - Well lit
 - Within clear view of the winery's main entrance

➤ **LEGISLATIVE UPDATE - RECAP OF OTHER RECENT PERMIT CHANGES**

- **HEA 1396 - Passed limited self-distribution**
 - Can self-distribute up to 3,000 gallons in a calendar year as long as you meet the following criteria:
 - Do not otherwise distribute through an Indiana wine wholesaler (or microwholesaler)
 - Have not sold more than 15,000 gallons in Indiana during the previous calendar year.

➤ **LEGISLATIVE UPDATE - RECAP OF OTHER RECENT PERMIT CHANGES**

- Wineries who have a wholesaler are not eligible
- Wineries with annual sales over 15,000 gallons are not eligible

Self-Distribution allowance is part of your permit scope - there is no additional permit or fee required.

Asking ATC about recording/reporting rules @ Roundtable.

ATC SESSION

- Permit Renewals – official direction for wineries who are submitting renewal permits but don't have their property tax clearance form yet?
- Self-Distribution – how should wineries be tracking self-distribution? Any guidance or suggestions now that we've been doing this for a year?
- Temporary Craft Manufacturers Permit review
- Additional Questions/Concerns for ATC Roundtable Meeting at 3:15?

➤ **OLD BUSINESS - IWVA MISSION STATEMENT**

Protect and evolve the Indiana Farm Winery Permit

- Changes at Purdue may require that we adjust that singular mission
- Priority will remain protecting/creating a friendly regulatory environment for Farm Wineries

 **NEW BUSINESS**

 **MOTION TO ADJOURN**