



2020 ANNUAL REPORT

WA

46°N

WINE



Dear Washington State wine industry colleagues and friends,

Fiscal Year 2020 (July 2019-June 2020) was on track to be one of our busiest years ever. From July through February, our team was laser-focused on executing programs and events all over the country that engaged high level trade and media in order to drive opportunity and growth for Washington wineries.

In March 2020, COVID-19 put a halt to travel, yet our team has taken on the challenge to innovate and market Washington wine in new, creative ways. We've significantly enhanced our presence and activity on social media, and increased our digital marketing efforts tenfold. We worked collaboratively with our partners to plan and execute virtual media tours, online seminars, and even Zoom winemaker dinners. We created two different digital conversation series to engage our network of wine professionals both nationally and internationally. Constituent communications became an even higher priority, to keep our wineries and vineyards well informed about the many changes and adjustments coming from the Governor's office. We launched a new brand logo and a new marketing campaign, Drink. For WA., to support Washington wineries as well as our neighbors and friends in the restaurant and hospitality industries. We are thoughtfully addressing the social justice movements, and our board formed a Diversity & Inclusion Task Force to help lead the industry in ongoing learning and dialogue. Our research program continues to soar, and the online seminar format allows more of our industry to engage and give input on the future of Washington wine.

I encourage you to read through this report, to see examples and metrics from FY20. This is a year nobody could have predicted, but it's also been an opportunity to get creative, be flexible, and work together (apart) like never before.

We are proud to work for you and with you, our extraordinary wineries and vineyards, each and every day.

Cheers to the future of Washington wine,



Steve Warner
President
Washington State Wine Commission



OUR MISSION

ON BEHALF OF THE STATE OF WASHINGTON AND ITS WINERIES AND GROWERS, THE MISSION OF THE WASHINGTON STATE WINE COMMISSION IS TO RAISE AWARENESS AND DEMAND FOR WASHINGTON STATE WINE THROUGH MARKETING AND EDUCATION WHILE SUPPORTING VITICULTURE AND ENOLOGY RESEARCH TO DRIVE INDUSTRY GROWTH.

WHO WE ARE

VISION

To be recognized as the world’s most exciting wine region, and inspire the world to experience Washington State Wine.

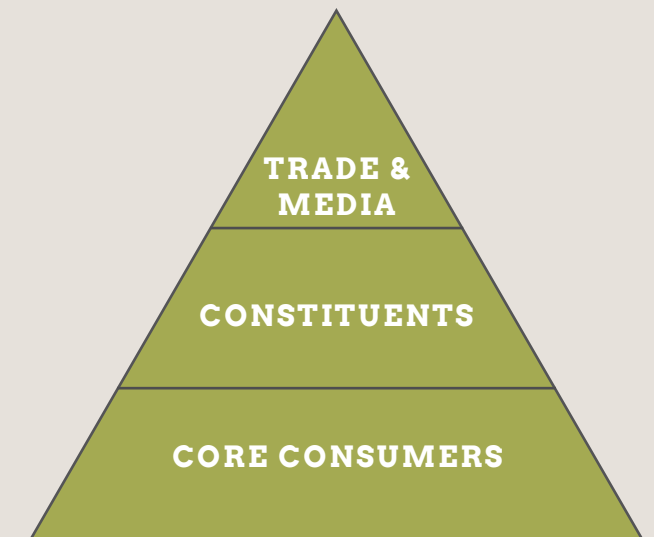
CORE BELIEFS

We believe the culture of the Pacific Northwest is unrivaled in the world, with an energy that is palpable. We believe the camaraderie of the Washington Wine community creates a force that is greater than any of us could accomplish alone. Together, we embrace our youthful underdog status and share our wines and our message with a common vision. Our wine industry stands proudly beside global icons that define and embody quality, innovation, and generosity. We believe this land, with its abundant natural beauty and rich geological history, create the perfect climate for wine that can’t be replicated anywhere else. We believe in pushing boundaries, experimenting, and continuously learning. We aren’t bound by convention. We believe that we produce some of the most captivating and irresistible wines in the world, and we also believe our best is yet to come. Our sense of adventure drives us to keep seeking it. We believe in conducting world-class research based on priorities set by the dedicated and unified people who have Washington terroir in their blood. We believe we are making history. And we believe in inspiring the world to experience what words alone can’t describe, with humility, professionalism, and always with a smile that reflects the spirit of Washington State Wine.

TARGET AUDIENCE

FY20 was year three of the five-year strategic plan for Washington State Wine to guide all marketing programs and events. The plan is focused on influencing media, trade, and core consumers.

To track success, we look at overall category awareness and demand, constituent engagement, increased economic impact, and momentum for the research program.

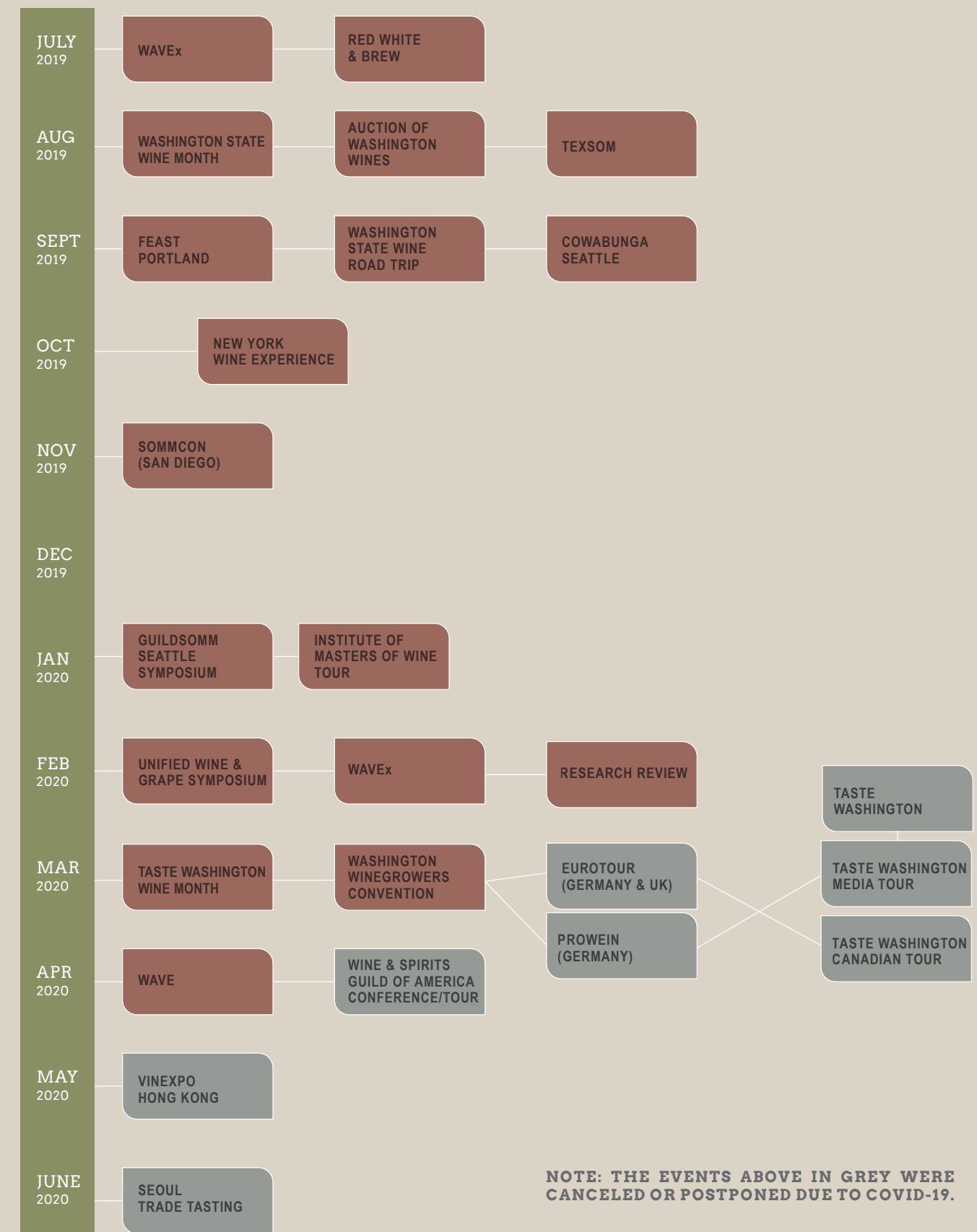


STRATEGIC PILLARS



FISCAL YEAR 2020 IN REVIEW

KEY EVENTS & PROGRAMS



COVID-19 & OUR RESPONSE

A TASTE OF TASTE WASHINGTON

When Taste Washington was canceled on March 5, we launched A Taste of Taste Washington, which featured 72 of the wineries that would have been pouring at Taste Washington, sharing their stories across all of our social media platforms. ■

SIP GLOCAL

After Gov. Jay Inslee announced Washington's stay-at-home order on March 23, we launched @SipGlocal on March 25, a project handle that showcased what Washington wineries were doing to support their local communities, in an effort to encourage others, near and far, to support whatever local means to them. This digital movement travelled the world with our **Wine Zones** program, which was an IG Live conversation series with Dr. Jamie Goode, who was joined by a weekly featured wine expert. Each episode ended where this movement began: in Washington State with a Washington winemaker. We also launched a letter-writing movement, **A Message in a #WAwine Bottle**, and received over 180 letters in less than two weeks. And to round out the movement, we launched **Sommlight**, a conversation series that looks at the non-suit side of somms, seeing what makes them most alive. We will continue producing episodes on a weekly basis through 2021. ■

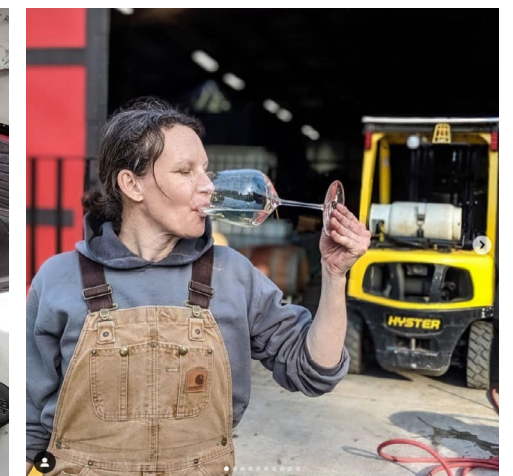
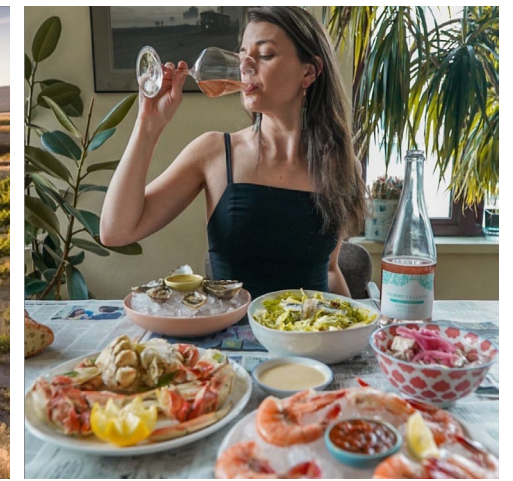
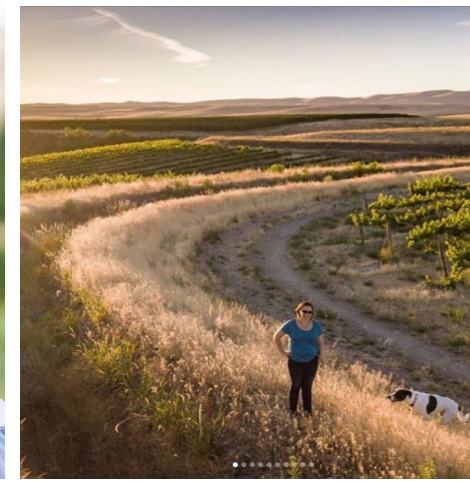
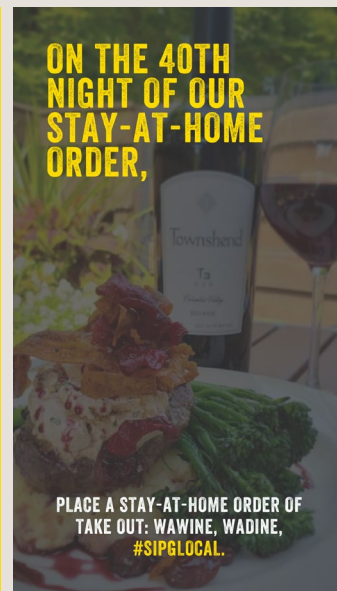
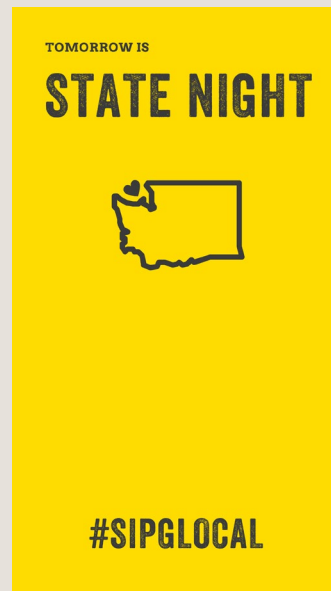
STATE NIGHT

On May 1st, the 40th night of our stay-at-home order, we hosted State Night, a statewide date night, encouraging Washingtonians to place an order of takeout and pair it with a local bottle of wine. It was so successful, with over 1,000 people participating, that we've turned this into a monthly program. Partnering with local restaurants, State Night continues to remind people to #DrinkForWA and #EatForWA, which hits two elements of our latest campaign, launched June 24, 2020. ■

VIRTUAL ACTIVATIONS

We went digital with our 2020 cross-border AVA media tour, hosted two Washington wine consumer seminars, and hosted two virtual winemaker dinners with media guests from NYC. ■

We have continued to execute many additional, original programs into FY2021 that fit within the limitations of this year, including our Drink. For WA. campaign, a media dinner series entitled While We Wait, and a Road Trip alumni virtual reunion series.



COMMUNICATION HIGHLIGHTS

MEDIA RELATIONS

IN-BOUND TOURS

3 media from Forbes, Town & Country, and Robb Report were carefully selected to attend the **Auction of Washington Wines**, and be hosted by the Washington Wine team on additional tours through wine country.

12 media were on board to attend a newly revamped & innovative **Taste Washington**, which was canceled due to COVID-19. These media received #WAwine samples and swag, and are all on board for 2021.

The **Cross-Border AVA Media Tour** was able to pivot to a virtual platform and still take place in June. WSW together with the OR Wine Board hosted **6** highly engaged national media covering **2** states, over **5** days through **10** winemakers.

3 high-profile wine critics wrote and published their annual Washington Reports, uninterrupted by a dramatic change in process.

- Jeb Dunnuck was hosted by our team in February as planned. His 2020 Washington Report published on schedule in May.
- James Suckling (jamesuckling.com) was set to visit Washington State in April, but instead collected the full line up of Washington wines at his home in Napa before freighting everything to Hong Kong to complete his report. In place of winery/vineyard visits, James hosted virtual vineyard tours and tastings with winemakers on Skype.
- Anthony Mueller (Wine Advocate) collected the full line up of Washington wines at his home in Napa and published both the completion of the 2019 Washington Report and the 2020 reports. Anthony has since launched an IGTV series under the Wine Advocate handle interviewing Washington winemakers.

125 writers attended Washington State Wine media activations in NYC, Berkeley, Portland, & Seattle before COVID-19 hit.

7 press releases went out to 1,000+ journalists in FY20, with a higher than average open rate.

EDUCATIONAL MATERIALS

110,000 Washington State Wine 2020 Tour Guides were distributed locally and nationally.

Washington Wine 101 presentation was completely revamped & sent to all constituents.



OVERALL RESULTS

247 The number of articles in FY20 that were produced with the help of the Washington State Wine communications team. This also includes outreach work from our PR contractors in Austin, New York, & the Bay Area. This is up 22% over the previous year.

\$11.5 Million The traditional advertising value equivalence of the published articles that were a direct result of efforts from the WSW communications team.

CONSTITUENT COMMUNICATIONS

Regular COVID-19 communications were sent out in partnership with the Washington Wine Institute and Washington Winegrowers, to keep wineries informed of all of the restrictions and adjustments required by the Governor's office. These emails had our highest open rates on record.

SOCIAL MEDIA

25% The organic growth rate of our Instagram channel (from 18.5K to 22K), social media's most engaging platform.

93% The increase of organic impressions on Instagram throughout the year. The previous year, we increased engagement by 300%, as this was our first full year with someone running social media in-house. This year, we continued to increase our engagement an additional 10%, so our handle has a 310% increase since switching to in-house social.

126% The increase of average daily reach per profile, meaning that each day, more people were seeing and engaging with our content.

57% The increase in number of comments we received, which means more people are interacting with our content.

31% The increase in engagement rate per impression on our Facebook page. This means that even though we decreased the number of media we put on Facebook, that content was more engaging than the previous year.

24% The increase in post link clicks, meaning that people were engaging more with the articles we were sharing about Washington Wine.

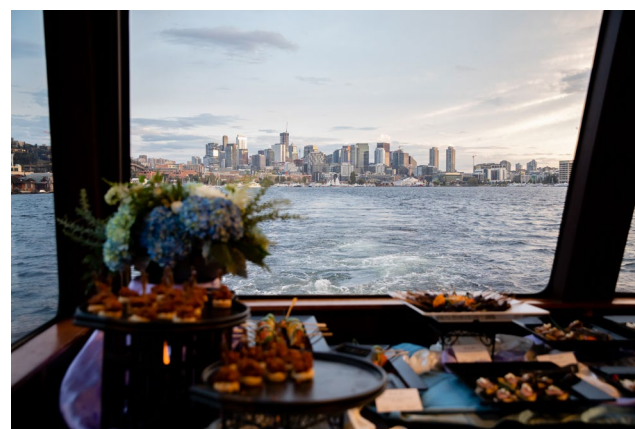
43,100 The number of views of our top-performing video, which cost us \$0 to make.

52 The number of creative professionals, from world record breakers to authors, musicians to fashion icons, adventure photographers to influential wine experts, activated by the "Under the Influencers" campaign, our influencer program.

390 The number of stories told (i.e. number of Instagram posts) in five days during Road Trip 2019 by Road Trip attendees, showcasing their first impressions and lasting impressions of #WAwine.

Road Trip Alumni Group: We launched a Facebook group for our network of Road Trip Alumni, which now numbers over 650 members. This group is one of our most influential networks of wine pros from around the country, and the ability to continue to deepen our relationships with them has been a true testament to the community and camaraderie of wine, as an industry, and Washington Wine, as a community. We post content there on a weekly basis, serving up memories, announcements, and opportunities for our trade friends around the country.

Sip Washington: We created a digital #WAwine Club, taking 7 of our top influencers on a virtual taste tour of Washington, focusing on one AVA each month. We began in January 2020 with the Yakima Valley, as that was our first AVA, and then travelled to the Walla Walla Valley in February, as that was our second AVA. We had to pause this program in March due to COVID, but look forward to continuing this in 2021.



MARKETING HIGHLIGHTS

ROAD TRIP 2019

The 2019 Washington Wine Road Trip hosted one of our highest profile group of attendees to date:

- 50 attendees from 21 states, including buyers from Costco, Total Wine & More, Vino Volo, the PA Liquor Control Board, and important markets like NY, CA, TX, FL, WA and IL.
- Restaurant buyers from highly regarded operations like Gramercy Tavern (NYC), Ferry Plaza Wine Merchant (CA), Bourbon Steak (DC), Tom Colicchio's Heritage Steak (NV), and Binny's (IL).
- With WSW's continued focus on the local market, 20% of the spots were allotted to local trade guests

The 5-day event included 50 individual itineraries, 35 winery exercises, 13 vineyard exercises, 3 regional tastings, 2 seminars, 1 boat cruise, and 8 lunches and dinners.

"The quality of wines is second to none. This was a trip of a lifetime; every detail was done with proud care and gave a 360-degree view of the industry. We had fun, we learned, we laughed, but a true craftsmanship of a journey. Road Trip is one of the best events in the wine business anywhere."

-Christopher McFall, Lazy Bear, San Francisco, CA

"Already started pouring a few wines by the glass and booked one for our wine club. Loved the fresh new perspective of other varieties being grown—not just Cabernet, especially the smaller lesser known wineries. Amazing to see the speed of change and growth."

-Sarah Knoefler, Ferry Plaza Wine Merchant, San Francisco, CA

"The organization and execution of the trip was an 11 on a 10 scale. I've been on 8-10 wine trips and this one had the most amazing staff I have ever seen—a team of all-star caliber people on all levels. The Road Trip opened my eyes to the depth of talent in WA State. I learned there are more amazing winemakers, regions and vineyard sites producing wines at a level that I was not aware of."

-Ryan Gerni, Davidsons Liquors, Denver, CO

"I can't brag about the wines enough. I loved the way you were able to hype the energy level when needed and then you let us relax a bit. It was the trip of a lifetime and I truly look forward to continuing the relationships that were built through this experience."

-Elissa Tedesco, PA Liquor Control Board, Harrisburg, PA

"This trip was not only well organized, but it was kept real and grounded. WA commission staff made us feel welcomed and met ALL of our needs and more. WA wine community has a great story to tell our teams and guests. I am putting together an education plan to implement through the next 12 months where we will promote WA wine."

-Maritza Haller, High Flying Foods, Sausalito, CA

"It was the perfect blend of education, vineyard experiences, wine tasting and youthful mayhem. Just yesterday, I asked one of my new vendors, "What no Washington State Wines?!" I told him that I was disappointed, as I'm hosting a grand tasting in my store and adjoining restaurant and have added Washington State wines to the list."

-Joe Printz, The Grape D'Vine Wine & Spirits, Sparkill, NY

MARKETING HIGHLIGHTS

GUILDSOMM SYMPOSIUM + NIGHT TRADE EVENT

JANUARY 2020

Working with GuildSomm, Washington Wine hosted the second symposium and trade event in Seattle. The event targeted GuildSomm members: wine professionals in all aspects of the business, including on- and off-premise accounts, distribution, and education. WA Wine hosted 100 attendees from 21 states, with 34 local trade from WA.

SEMINARS

4 seminars were executed, led by top industry members: Master Sommeliers, Masters of Wine, winemakers, and journalists.

- Merlot Around the World: Comparative Tasting
 - Casey McClellan (Seven Hills Winery)
 - Andrew Januik (Novelty Hill/Januik)
- Expanding the Palate of New World White Wines
 - Marty Clubb (L'Ecole No. 41)
- Viticulture for Trade
 - Lacey Lybeck (Sagemoor Vineyards)
 - James Mantone (Syncline Winery)
- MS, MW, and Winemaker Perspectives on Blind Tasting
 - Louis Skinner (Betz Family Winery)

LUNCH

125 people hosted for lunch, featuring 5 wines from the upcoming AVAs of WA. Lunch was catered by Tom Douglas restaurants, and three guests spoke on behalf of their regions:

- Lacey Lybeck (Sagemoor Vineyards)
- Seth Kitzke (Kitzke Cellars)
- Shane Collins (Rocky Pond Winery)

TRADE NIGHT EVENT

Running from 9:00 pm to midnight, this was the largest local event for the trade outside of Taste WA.

- 200+ people in attendance
- 40 winemakers/principals

Food was provided by Tom Douglas Restaurants, Hama Hama Oysters, and Dick's Burgers. A blind wine challenge with great prizes and a live DJ created an exciting and captivating atmosphere.

Washington State wines were served exclusively at this event. More than 80 Washington wines were served and spread over 12 themed tables, representing a diverse range of AVAs and wine styles, including more than 10 library selections. ■

"It is always great to interact with such important members of our industry outside of their work environments. In a saturated market it is of utmost importance to establish an emotional connection to our wines, people and places."

-James Mantone, Syncline Winery

"These people are the top of the top that we want to market to. Our image is changing slowly to the outside world in wine. They hear how great our wine are but getting them here to experience it firsthand is extremely important to me."

- Seth Kitzke, Kitzke Cellars



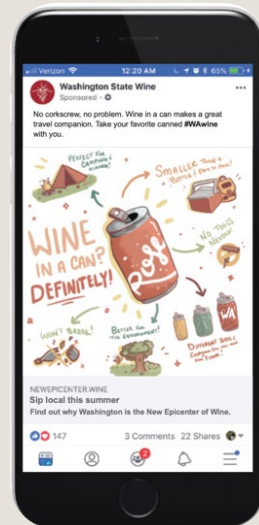
MARKETING HIGHLIGHTS

WASHINGTON WINE MONTH

AUGUST 2019

August Washington Wine Month continued to expand on the new campaign elements—Sip Local, Real 12's, and New Epicenter. The bulk of the campaign ran during the month of August, with some evergreen elements (digital advertising and out-of-home advertising) through the end of 2019. During this wine month, WSW focused the campaign on connected tv, digital, and social advertising, and testing out-of-home. WSW decreased the amount of POS that we sent out to wineries, while concurrently creating POS that was evergreen, including #WAWine temporary tattoos (over 10k sent out) and paper wine bags (over 21k sent out). On social, we also incorporated more lifestyle advertising, including a canned wine illustration (below).

- **558K+** social engagements—the highest to date.
- Real 12's, our social campaign, had over **167** comments, **415** shares, & **8,184** reactions.
- The campaign had over **34 million** impressions and garnered **\$52K** in added value.



TASTE WASHINGTON WINE MONTH

MARCH 2020

After pursuing a relationship with Safeway/Albertsons, WSW was able to negotiate and plan a campaign partnership during Taste Washington Wine Month. The campaign, the first of its kind, included 30% off all Washington wines during the month of March, as well as a display competition among stores in AK, ID, and WA.

The campaign proved to be very successful during March. While this may have been partially driven by pandemic pantry-loading, Washington wine saw a **30% increase** from the previous year in Safeway stores, and Washington wine made up **42% of all wine sales** during the month of March. WSW used advertising to drive sales and consumer awareness with In-Store Traffic Ads through Facebook, a new tool that helped track **23K** visits to Safeway from consumers who had recently viewed the ad. That translated to a cost of \$.01 for 23K people potentially buying wine. Safeway/Albertsons reported far above social metrics typically seen. With one post, they saw over 239,760 actions taken with our various ads, including clicks, engagements, and video views.

- **16.5 million+** impressions ran in March, with nearly **\$30K** in added value.
- **40+** billboards ran in Spokane and Seattle, with over **\$10K** in additional ad value.
- **1,115+** radio spots ran, **316+** of which were bonuses or sponsorships, and an additional **\$14K** in added value.

Washington Wine also formed a partnership with QFC, which ran a 20% discount on all Washington Wine for the month.

MARKETING HIGHLIGHTS

SUPPORT LOCAL

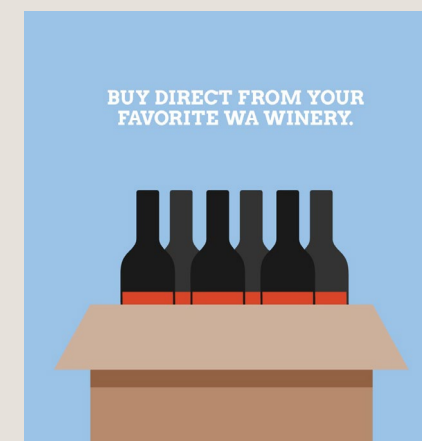
APRIL-MAY 2020

At the beginning of April, when the impacts of the COVID-19 shutdown were beginning to become apparent, WSW devised a plan to drive traffic back to wineries utilizing unused budget from Taste Washington Wine Month.

A digital campaign was launched on April 13, 2020 and ran through May 15, 2020. The campaign focused on driving traffic directly to wineries for curbside pickup. The digital ad also linked to a landing page that included a WA state winery listing, an interactive map, links to our social media pages, and the tour guide. It also listed alternative ways to help support wineries during the shutdown.

In the month that the campaign was live, we had phenomenal results:

- **2 million+** impressions.
- **10,000** click-through rate to our landing page, which was a **230%** increase over our most successful campaign to date.
- A reach of nearly **400,000** people, who all saw the digital ad an average of 3 times.
- **6,000+** reactions, **191** comments, **156** saves, and **550** shares on social media.



NEW BRANDING

After 9 months of research and investigation, and after reviewing thousands of options, WSW underwent a full rebrand. Pulling from the strength and forward-thinking nature of our state, WSW landed on several iterations of a simple, yet modern and bold logo.

The logo has three forms—the abbreviated version shown below, a long form version that includes “Washington” instead of “WA”, and an international version that replaces the 46-degree parallel with “USA.” The logo has received widespread approval from industry, trade, media, and consumers. Along with the new logo, WSWC has updated its brand guidelines, [which are available here](#).



INTERNATIONAL MARKETING

566,732 Number of cases of Washington wine sold in international markets in FY2020.

10% The percentage of growth in case sales YOY in target markets despite difficult CY2020 conditions.

48 Number of wineries that reported international sales, up over 30% since 2015.

\$1.27 million in grant funding was secured for 2020/21, up from \$890,793 in 2015/16.



RESEARCH HIGHLIGHTS

SOLVING FOR WASHINGTON

In the first five years of the Washington State Wine Commission's elevated research program, all milestones were completed, from securing sustainable funding and expanding the reach of industry-supported research, to increasing stakeholder involvement and research communications. The Washington Wine research program is industry-guided and industry-driven, and the research results are accessible for all growers and wineries regardless of size.

\$1 Million, for the third year For the third consecutive year, the Washington State Wine Commission Board approved a record \$1.2 million in V&E research grants to fund 25 projects, including 5 projects funded through the industry's newly launched research grant program. These grants support a range of topics that benefit wineries and grape growers of every size.

57 Number of research articles and press releases written by Washington Wine published in trade publications like *Wine Business Monthly*, *Good Fruit Grower*, digital newsletters, newspapers, and the weekly radio program WAVE Minute.

550,000 Potential reach of research articles and press releases.

291 Number of wineries and growers that attended the annual Research Review in Prosser and three WAVE events (one in-person seminar plus two virtual webinars).

95% Percentage of WA wine industry members who are aware of Washington Wine's research program that guides research funding, funds research directly, and helps disseminate research results to industry.

MOVING FORWARD

When COVID-19 forced us all into lockdown in March 2020, the research program, like the rest of the state, needed to pivot. Washington Wine transitioned to hosting the scheduled WAVE seminars online as virtual webinars open to any interested industry members. The webinars have been a huge success, drawing more attendees than could have ever been hosted in a physical venue. As we move forward into FY2021, we will continue with this virtual platform, communicating critical research on the most relevant and pressing issues in winemaking and grape growing in Washington. ■

WAVE

WASHINGTON ADVANCEMENTS
IN VITICULTURE & ENOLOGY

ABOUT WASHINGTON WINE

The Washington State Wine Commission represents every licensed winery and every wine grape grower in Washington State. Guided by an appointed board, the Commission provides a marketing platform to raise positive awareness of the Washington State wine industry and generate greater demand for its wines. Funded almost entirely by the industry through assessments based on grape and wine sales, the Commission is a state government agency, established by the legislature in 1987. The Washington State Wine Board is made up of growers, producers, a WSDA representative, and a distributor. ■



WSWC BOARD MEMBERS EFFECTIVE JULY 1, 2020

	TERM THROUGH	GROWER	LESS THAN 50 ACRES GRAPES IN PRODUCTION	MORE THAN 100 ACRES GRAPES IN PRODUCTION	PRODUCE AND SELL THEIR OWN WINE	WINE PRODUCER	PRODUCE LESS THAN 25K GALLONS ANNUALLY	PRODUCE MORE THAN 1M GALLONS ANNUALLY	PRODUCE WINE FROM THEIR OWN GRAPES	WESTERN WA	EASTERN WA	WSDA DIRECTOR REPRESENTATIVE	NON-VINIFERA WINE PRODUCER	WINE DISTRIBUTOR
Dan Werth, Ste. Michelle Wine Estates	6/30/23					X		X	X	X	X			
John Sportelli, Columbia Winery (Vice Chairman)	6/30/22					X				X				
Shylah Alfonso, Pomum Cellars	6/30/21					X	X			X				
Rachael Horn, AniChe Cellars	6/30/22					X	X		X		X			
Steve Griesel, Betz Family Winery (Chairman)	6/30/21					X	X		X	X				
Lacey Lybecker, Cairdeas Winery	6/30/23	X	X		X									
Dick Boushey, Boushey Vineyards	6/30/22	X		X										
Sadie Drury, North Slope Management	6/30/21	X		X										
Casey McClellan, Double Canyon Vineyards (Treasurer)	6/30/22	X		X	X									
Brenton Roy, Oasis Farms (Past Chairman)	6/30/21	X		X										
Ryan Lumaco, Southern Glazer's Wine & Spirits	6/30/23													X
Serena Roberge-Gordon, Perennial Vintners	6/30/23					X	X			X			X	
Rianne Perry, Washington State Dept. of Agriculture	WSDA											X		

*In July 2020, the board welcomed new board members Lacey Lybecker & Serena Roberge-Gordon.

FY20 WASHINGTON WINE STATISTICS

- 60,000+ acres planted
- 201,000 tons of grapes harvested (2019)
- 17.7M cases produced (2019)
- 1,000+ wineries
- 400+ wine grape growers
- 70+ varieties produced

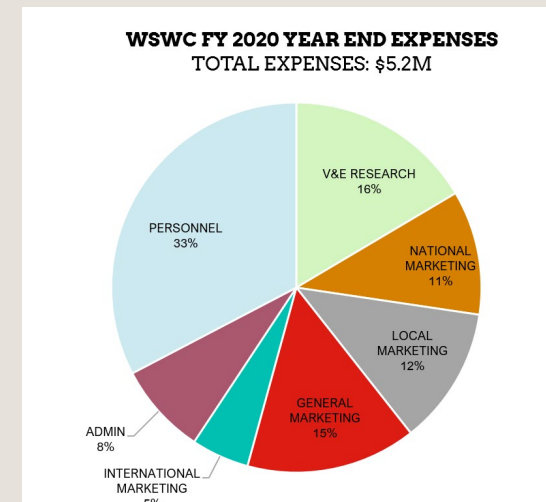
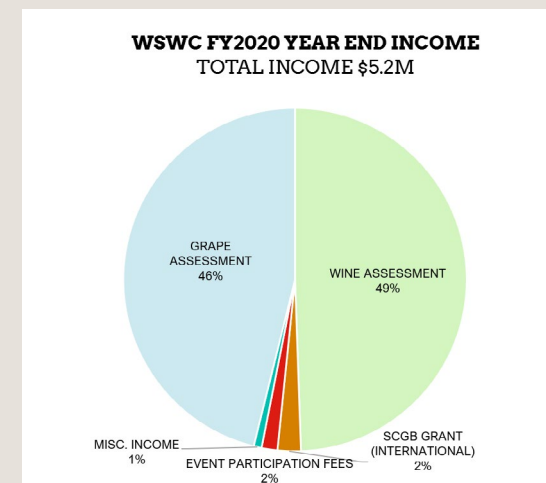
Source: USDA & WSLCB



FINANCIALS

REVENUE SOURCES

Washington State Wine is required to collect assessments from both wineries and growers to fund its activities. These two assessments are collected separately. The first—the assessment on all licensed wineries in Washington State—is collected monthly by the Washington State Liquor and Cannabis Board (WSLCB) through wineries' monthly reports to the WSLCB, a small percentage of which is forwarded to Washington -Wine. The second—the assessment on all growers of vinifera wine grapes in Washington State—is collected annually by the Washington State Wine Commission itself. Both wineries and growers contribute to the marketing budget; wineries contribute \$0.08 per gallon and growers contribute \$12 per ton of grapes. ■



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WINE