



## **2026 Strategic Plan**

## Introduction

Strategic planning keeps an organization on track over time and allows the organization to respond to change while remaining faithful to the mission and vision.

The purpose of this strategic plan is to provide a roadmap towards the future of the Anderson Valley Winegrowers Association (AVWA), considering current and possible resources.

This plan was built from the collective inputs and analyses of Board Members (BOD), AVWA staff, non-profit and for-profit consultants, and related stakeholders that included a one-day Strategic Planning session with multiple additional prep meetings. Strategy was set based upon current opinions, ideas, and experiences of AVWA membership, events, and programs. We have attempted to define and address obstacles that have not allowed the AVWA to maintain sustainability within the existing business model, and to **set reasonable, achievable goals for 2022-2026. The plan will be reviewed annually, and corresponding goals set for each upcoming year.**

The process itself provided immense value for the organization as much was learned from reviewing the past and present position of the organization relative to peer wine trade organizations and the state of the environment in which the organization operates.

Above all, the organization's members, Board of Directors, staff and related stakeholders proved themselves dedicated to helping the Anderson Valley Winegrowers achieve recognition and success.

In this document, the following will be presented:

- Organization History & Profile - Explanation of Membership
- Vision Statement
- Mission Statement
- Explanation of Core Audience
- Organizational Strengths, Weaknesses, Opportunities and Threats
- Member Survey
- Forging the Path to Sustainability MBA Case Study
- Dues & Competitive Talent Analyses
- Organizational Goals and Strategies
- 2022 Work Goals
- Strategic Roadmap
- Conclusion
- Appendix

## Organization History & Profile

The Anderson Valley Winegrowers Association is a non-profit 501(c)6 organization established in 2005 to support and promote Anderson Valley as a world-class, wine producing and wine grape growing region.

The Association includes winery members (who produces wine from Anderson Valley), growers, associate wine members (who produce wine from a nearby sub-area of Anderson Valley), and associate businesses or individuals. The Association produces festivals and wine country weekends; provides information to consumers and media; markets the Anderson Valley wine region; promotes affiliate businesses supporting wine tourism; and advocates for the promotion and protection of the Anderson Valley wine and grape industry.

## Explanation of Membership

The Anderson Valley Winegrowers exists in order to serve its members. Created and designed as a membership-based organization, the vision and the mission are designed to benefit all members of the wine industry associated with Anderson Valley. The efforts of the Anderson Valley Winegrowers strive to advance the recognition of the entire wine region, thereby improving the reputation of individual members.

Members of the AVWA include the following:

- **Winery** | Winery Members with a tasting room – Industry members who are actively producing wine from the Anderson Valley Viticultural Area, and who have a licensed tasting room(s) in the Anderson Valley.
- **Winery** | Winery Members without a tasting room – Industry members who are actively producing wine from the Anderson Valley Viticultural Area but who do not have a licensed tasting room in the Anderson Valley.
- **Vineyard** | Vineyard Members – Industry members actively engaged in farming wine grapes in the Anderson Valley Viticultural Area.
- **Ambassador Member** | A non-industry member defined as a volunteer who serves as a brand advocate operating outside of the Anderson Valley to promote, educate and facilitate commerce in conjunction with the AVWA and/or it's Officers/members. Has no voting privileges.
- **Associate Members** | Interested individuals and institutions not included above, with limited voting privileges.

## Mission Statement

The mission of an organization defines what it DOES. The mission of the Anderson Valley Winegrowers is:

**“To nurture, advocate for and safeguard the Anderson Valley appellation. Through promotion, the AVWA establishes Anderson Valley as a premier coastal cool-climate varieties wine region while also creating a protected and equal environment for future generations.”**

## Vision Statement

The vision of an organization defines what it could BECOME. The vision of the Anderson Valley Winegrowers is:

**“The Anderson Valley AVA is a highly desired wine region and destination recognized for cool-climate varieties and a welcoming community.”**

## Organizational Core Values

The organizational values define the culture and conduct of our organization professionally:

- Financially stable
- Customer focused (members, consumer, press, trade)
- Goal-oriented
- Dedicated/sophisticated staff
- Professionalism
- Collaboration, teamwork
- Transparent
- Equitable

## Core Audiences

As a multi-faceted association, we direct our mission, our messaging, and our planning towards more than one audience. We defined three core audiences whom we may be interacting with or representing at any given time, with a fourth and smaller audience of neighbors and government officials.

1. Members - Our actions and objectives must reflect what is best for our membership as a whole.
2. Consumers - Defined as those who buy our products, attend our events and visit our region.
  - New and existing avid wine buyers in various socioeconomic and demographics, including Baby Boomers, Generation X, and Millennials.
  - Our target consumers are professional, sophisticated, educated and well-traveled
  - Appreciation of food and wine culture
  - Values supporting family businesses

- Considerate of the environment and preservation
  - Values regional distinction and quality
3. Media (Press/Trade)
- Press - All persons involved in the review, publication, and broadcasting of our members and organization. These are the ones that tell our story, share the majesty, and compel the public to visit, taste, and attend.
    - Wine reviewers - large scale and small-scale publications
    - Wine bloggers
    - Lifestyle publications, writers and bloggers
    - Travel publications, writers, and bloggers
    - News publications and area influencers
  - Trade - These are the people who extend our wine within and beyond our local community to the nation, and even world. They are not only purchasers, but brand ambassadors and stewards of Anderson Valley Wine Country.
    - Restaurant owners, wine stewards, sommeliers, and servers
    - Wholesale wine buyers for independent retail, grocery, large retail, and online retail.
    - Distributors, brokers, exporters and importers of our memberships products
4. Neighbors and Government Officials – Consideration, responsiveness and outreach for those members within our community and county.

## SWOT Analysis

To better understand the state **of our organization**, we assessed the strengths, weaknesses, opportunities, and threats **of the organization**.

Organizational Strengths	Organizational Opportunities
<ul style="list-style-type: none"> <li>• Business &amp; marketing acumen of current staff</li> <li>• BOD engagement, member/sponsor support</li> <li>• Pinot Fest reputation</li> <li>• Festival volunteer base</li> <li>• New tourist map and website</li> <li>• Consistent member/consumer communication</li> <li>• Opportunity to grow</li> <li>• New &amp; improved strategic relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Weaknesses can become strengths</li> <li>• Implement strategic planning and goals</li> <li>• Expand funding, staffing and operations</li> <li>• BOD leadership and development</li> <li>• Increase outreach and inclusion</li> <li>• Build non-wine industry partnerships</li> <li>• Engage/educate member &amp; local community</li> <li>• Year-round/off-peak marketing</li> <li>• Efficiency/ streamline operations and simplify</li> </ul>
Organizational Weakness	Organizational Threats
<ul style="list-style-type: none"> <li>• Financial instability</li> <li>• Event-revenue budget</li> <li>• Prior lack of strategic planning and marketing</li> <li>• Inadequate staffing to support operations</li> <li>• Inadequate member funding vs. peers</li> <li>• Below market compensation of staff</li> <li>• Staff/BOD turnover</li> <li>• Diverse knowledge/experience outside of wine</li> </ul>	<ul style="list-style-type: none"> <li>• Mother Nature</li> <li>• Trend of declining volunteers</li> <li>• Other wine regions &amp; competing events</li> <li>• Changing preference for small events</li> <li>• Membership financial &amp; volunteer support</li> <li>• Retention/acquisition of sophisticated staff</li> <li>• Politics and regulatory overreach</li> <li>• Community/neighbors</li> <li>• Changing consumer</li> </ul>

To better understand the state **of our wine region**, we assessed the strengths, weaknesses, opportunities, and threats **of the wine region**.

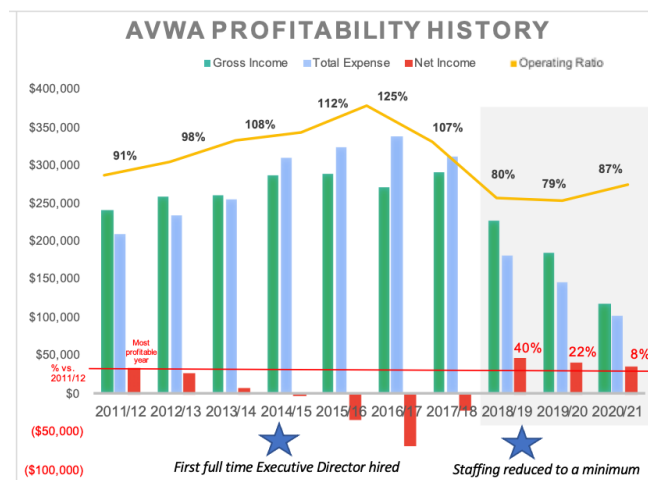
Regional Strengths	Regional Opportunities
<ul style="list-style-type: none"> <li>• Premier quality wines</li> <li>• Cool, coastal + diurnal shift (natural acidity/tannins)</li> <li>• Accessible producers (access to winemakers)</li> <li>• Nature (beauty, open space, undeveloped)</li> <li>• Relaxing, welcoming, community/culture, humble</li> <li>• Unique – not like everywhere else</li> </ul>	<ul style="list-style-type: none"> <li>• Share Anderson Valley with new audiences</li> <li>• Compete with other global cool-climate regions</li> <li>• Penetrate key markets</li> <li>• Work with other Associations on causes</li> </ul>
Regional Weakness	Regional Threats
<ul style="list-style-type: none"> <li>• Region is too far away from a metro area</li> <li>• Pinot dependency/focus</li> <li>• Lack of attractions and activities</li> <li>• Lack of housing (both workers and guests)</li> <li>• Brand confusion with Alexander Valley</li> <li>• Water challenges</li> <li>• Limited guest lodging</li> </ul>	<ul style="list-style-type: none"> <li>• Focus away from Pinot (e.g. Merlot)</li> <li>• Marketing by brands/regions with more \$</li> <li>• Grapes going to producers outside of AV</li> <li>• Boomers phasing out</li> <li>• Consumer preferences</li> <li>• Mother nature</li> </ul>

## Historic Review of the Association

To assess the current state of the organization, as well as the future possibilities, a ten-year review of P&L statements and organization resources was performed.

The organization was originated by volunteers, primarily proprietors living and working within the region. As this demographic has either aged out or sold to businesses outside of the valley, there has been a gradual reduction in volunteers and operations have increased. In 2014/15 the organization transitioned to a paid staff (~1.5 employees) which has proven to be a significant financial impact to the organization even during profitable festival years, as member dues did not cover the staffing cost.

Additionally, the 2017/18 changes made to both the Pinot Noir Festival (move to Camp Navarro) and the change of the white wine festival name and branding both significantly impacted profitability. Reduction in staff since 2019 has effectively reduced operating expenses during the pandemic but it lacks sustainability to support event/festival operations and growth opportunities as things return to normal.



## Member Strategic Survey

A member survey was distributed in May 2021 to voting members and non-voting members. The intention was to solicit input regarding how they believe the organization has been performing, and the direction they'd like to see the organization advance. 67% of participants are located/based in Anderson Valley, with 29 member wineries, 16 estate vineyards, and 6 non-estate vineyards.

### SUCCESSSES

- **Pinot Passport 2021 & New Website** are clear successes by all members
- **Webinars + Wine Packs & White Wine Festival 2020** are a close second

## CHALLENGES IN INDUSTRY

- **Drought and climate change are an overwhelming concern by members with vineyards**
- **Labor shortage is mentioned** throughout the survey from quality vineyard labor to tasting room staff

## CHALLENGES IN ANDERSON VALLEY AVA

- **Remote location of Anderson Valley** is seen as an issue but also a possible strength
- **Lack of Tourist Facilities** (Lodging & Restaurants)
- **Lack of Awareness of AVA**

OPPORTUNITIES / VISIONING 1. **Events**

1. Large events vs. small ones
  - i. **Large events** to as a priority (106 weighted scoring) with a close tie **small event (100)**
  - ii. 88% believe that consumers will look to smaller intimate event opportunities vs. large ones
  - iii. 60% think interest and attendance for large events will return to normal in 2022
  - iv. 28% think there is a good chance events will look different in 2-4 years time
2. **Events outside the region** (72 weighted scoring) is seen as a priority as compared to **Online events** (52)
2. **Press**
  1. **Bringing Press/Trade directly to AV** ranked highly in multiple categories
  2. **Engage in CA key markets (somm, restaurants, retailers)** ranked high as well
  3. **Ongoing wine sample pitches for press** ranked lowest
3. **Membership**
  1. **News Communication and Socials** ranked high
  2. **Industry Advocacy and/or Environmental Measures** was a priority after events, socials and news/communication
    - i. **Organic farming and regenerative farming** came up as themes
      - a. *several members mentioning that the opportunity to “own” this message would stand apart from Napa/Sonoma*
  3. 75% of winery members would have interest in the AVWA **helping them meet their marketing goals**



## Anderson Valley Sustainability MBA Case Study

A case study: Anderson Valley Winegrowers Association: Forging the Path to Nonprofit Sustainability as A Wine Trade Organization, was conducted during the Spring of 2021 by Sonoma State Wine Business MBA student Fiona Fang (see full study in Appendix). The Anderson Valley Winegrowers Association was evaluated individually and against peer wine trade organizations. The financials and business operations were assessed in context of overall sustainability for the organization.

Recommendations were outlined in the study, as well as in person by Fiona Fang at the June 9<sup>th</sup> strategic offsite meeting. Highlights extracted from Fiona's meeting summary document include:

- The primary recommendation is for the AVWA to focus on strategic financial management and growth, and performing ongoing regional marketing in addition to large events, as resources grow and permit to do so
- Learnings published by Fiona from the case study include:
  - Legacy issues including a **lack of financial and strategic planning, primary reliance on festival income, resource constraints, staff/Board turnover and under-promotion and marketing** of the region outside of events
  - Current **direction is not aligned among stakeholders**; staff would like to be more strategic in promoting the region year-round but lack resources, members find immense benefits in large events, and most members are resource constrained (time & money)
  - AVWA's **financial health began steadily recovering** since 2019, primarily **due to overall expenses taking a dramatic reduction by nearly 50%** in 2018 and continued to decrease in 2019, primary due to staff reduction
  - Among a sample of 14 associations, **membership dues were the most important revenue source for the majority, followed by program services and contributions**. However, AVWA relied heavily on program services (mainly festivals), **at 77% of its total revenue, while its membership dues were the third lowest among a sample of 14 associations**
  - Among AVWA's winery members who provided data, which was 44, **over half produced less than 5,000 cases annually** with a median of 4,250 due to a few very large producers
  - Among 10 other associations sampled for membership dues, **AVWA's dues rates for all categories and tiers were consistently lower than average**
  - **AVWA's ED salary ranked lowest** among the 14 sampled Californian regional wine associations. The median salary, not including Napa Valley Vintners, was 45% higher than AVWA's ED salary. The industry average percentage of **ED salary as total expense was roughly 27%. Anderson Valley's was 18%**
  - **The AVWA benchmarks closest to Santa Cruz in terms of average winery production (2K), ultra-premium wine category, and coastal influence** in both grape growing and tourism. They differ in that:
    - Santa Cruz spans over multiple sub-regions (3) with 62 total wineries (vs. 51)
    - Association goals differ in that they strive to promote the AVA brand, not wine country tourism traffic. They have programs designed to bring people to tasting rooms - such as the vintners festival. But the primary mission is brand awareness, not a "destination" travel story and more of a discovery angle
    - Pre-pandemic Santa Cruz staffing is ED (full time), Event Coordinator (30/hrs), Marketing Manager (30/hrs), and they contract with a PR agency

## Dues Model Review

The current dues model was assessed in response to the learnings from the MBA case study. While an adjustment to dues was made in 2019, it did not fully address the fundamental issues with the design of the dues structure, and the inequities around current winery income.

The dues model encompasses winery, vineyard, and associate member categories. Wineries have three tiers based upon total case production size, and dues are higher for those wineries with tasting rooms located in Anderson Valley. Vineyards also have three tiers based upon acreage.

In almost all production categories, the winery dues assessed are significantly lower than those in peer associations. The industry average of dues as a percent of total gross income is 47%, while AVWA dues income was at 23% in 2018 (the last year when both festivals were held, both failing to meet revenue goals). Had festival income goals been met in 2018, the dues income as a percentage would have dropped to 21%.

When comparing with associations with budgets under \$300K (AVWA 2018 gross income was \$270K), the average gross income from dues is 57%. This approach ensures that annual operations can be supported independent of event revenue, whereby event revenue should be used as a catalyst to reinvest for growth.

For feasibility considerations, several analyses were performed looking at regions based upon varying similarities (either budget, winery size, or member size) and included Santa Cruz, Mendocino, Santa Barbara, Russian River, and Monterey. When dues were modeled using strictly AV case production, the funding impact was significant, primarily due to 56% of membership making less than 5K cases, and 28% making between 5K and 10K cases. Additionally, 53% of winery members now reside in wine regions other than Anderson Valley. Moving strictly to an AV case production model is therefore unadvisable.

After modeling multiple scenarios, the most viable restructure appears to be a hybrid winery dues model. This dues structure would use a calculation of a base fee based upon total production, plus an Anderson Valley case production assessment, and an additional flat fee if a tasting room is in Anderson Valley. Ongoing analysis will support whether this is the recommended future dues model to address member inequities and the potential risk to organizational funding.

Associate dues are also significantly less than other association membership fees, which range between \$300-\$600 per year.

## Competitive Talent Review

The organization has had four Executive Directors (ED) in a ten-year period. Turnover in this position limits the ability for strategic planning and execution, relationship development, fiscal responsibility, and overall growth of the association and wine region.

A non-profit strategic consultant (Meagan Demitz) was hired to assist with Board development and strategic planning. She estimates that it costs an organization \$12-\$24K when a key staff person leaves an organization, and that competitive compensation and cost of living considerations need to be

prioritized. She advised for the organization to perform a benchmark exercise considering industry compensation, county compensation, regional compensation, and national compensation.

Findings include that the AVWA Executive Director salary benchmarks to the 10<sup>th</sup> percentile of non-profits for North Coast, which includes Mendocino, Humboldt, and Del Norte counties. 2018 Executive Director compensation averages 24% lower than Northern California non-profits with similar budgets, 47% lower than 2018 Mendocino County comparatives, and 38% lower than the average wine industry trade association 2018 compensation. Of relevance, the 2018 AVWA ED salary is 37% lower than the nearest benchmark, Mendocino Winegrowers. The AVWA also is lacking in providing common benefits provided to non-profit EDs, some which include retirement, dental, phone, and sick pay.

It is recommended that the organization aim to attract talent from no less than the median 50<sup>th</sup> percentile- while considering higher cost of living impacts and competition of nearby Sonoma County businesses and develop a compensation policy and benefit process to ensure that the organization can remain competitive and limit turnover.

Inputs to this analysis include the MBA case study trade association 2018 ED comps and budgets, the 2018-2019 ASAE Association Compensation & Benefits Study, the 2020 Fair Pay for Northern California Nonprofits Compensation & Survey Report, and a review of ED compensations within Mendocino County (Ukiah and Fort Bragg based).

## Organizational Goals & Strategies

From the above analyses, we set organizational goals in each category important to the success of the Anderson Valley Winegrowers and the strategic tactics to achieve them. These goals are in consideration of the proposed five-year plan (2022-2026). The ability to realize them will be directly dependent upon the support of membership, and without this support may not be achieved.

**I. FUNDING - Goal: To create diversified, sustainable funding, effective for multiple years. Increased funding allows the organization to protect and promote the Anderson Valley wine rountry at the level the members desire.**

Strategy: Pursue unexplored funding sources:

- Address the current issues with the member dues model
- Optimize and advance events – in person festivals and passport weekends
- Explore grants (i.e. Specialty Crop Grant from the Cal. Dept. of Food and Ag.)
- Develop a foundation
- Identify strategic relationships and sponsorship opportunities; consider a sub-committee

**II. MARKETING-Goal: To maintain high-quality branding and build a communications strategy across multiple channels that promotes the mission and vision of the Anderson Valley Winegrowers to our core audiences.**

Strategy: To enlist professional and membership help to build branding, messaging, outreach, and engagement with our core audiences to promote Anderson Valley and its wines.

Leverage the monthly marketing team meeting, collaborate with peers & professionals and guide marketing direction to lead initiatives, and drive long-term impact.

Consumers:

- Increase hours of Anya Farquhar to support marketing goals (*currently 3 hours/week*)
- Source a volunteer to assist with social media efforts
- Further define Brand AV to support assets and messaging
- Develop a marketing calendar for emails, blogs, social, and advertising
- Create an appellation sign
- Promote member experiences
- Promote and improve wine country visitation
- Perform website updates and SEO optimization
- Design Anderson Valley Branded SWAG
- Create informative collateral
- Develop a marketing kit and photo/video library
- Participate (or promote members to) in out of valley consumer events
- Help to facilitate an appellation map

Media (Press/Trade)

- Retain Jacqueline Rogers for part-time Media relations (*currently a volunteer*)
- Develop a Media budget and corresponding annual plan
- Coordinate invitations to visit the wine region
- Build relationships with Media
- Develop Media pitches to promote the region and events
- Host media-specific events and tastings
- Keep Media kit updated
- Participate (or promote members to) in out of valley Media events
- Evaluate option for a Media “camp” to build industry and press awareness and support

### **III. EVENTS - Goal: Design and execute well-attended, profitable events that promote the diversity of products and richness of landscape of the Anderson Valley wine region.**

Strategy: To review and renew our familiar events and create new ones that achieve our goals and mission and generate revenue to support operations.

- Committees
  - Identify and establish support committees for each event
  - Enlist committee members
  - Optimize committee meetings and processes
- Pinot Noir Festival – Ensure the premier marquee festival produced by the association is profitable and continues to generate interest and build awareness
- White Wine Event – Ensure this event brings awareness to white wines and encourage visitation in the off season

- Harvest event – Explore the option of creating a shoulder season event to bring consumers to the region
- Small Intimate Events- Explore the opportunity to facilitate/promote intimate events (in vineyards or wineries) that create exclusivity and promote producers and region
- Facilitate and/or participate in one or more press/trade event(s) outside of AV; facilitate a Media “camp” event
- Participate in strategic events and seminars outside of AV (e.g. World of Pinot)
- Develop advertising strategy and plan with Visit Mendocino for events

**IV. EDUCATION AND RESOURCE - Goal: To provide educational programming and resources on all aspects of the wine business within Anderson Valley.**

Strategy: Develop, provide support and/or help facilitate educational training program and new programming for our membership.

- Create focus committees, assign chairs and solicit volunteers to help support initiatives and drive long-term impact
- Facilitate industry training program, educational tastings, tailgate talks, vineyard workshops
- Make marketing recommendations, provide resources, and coordinate meetings
- Facilitate hospitality resources and best practices
- Coordinate annual harvest and vintage report

**V. MEMBERSHIP RELATIONS – Goal: To build the confidence and commitment of the members to establish Anderson Valley as a globally recognized wine region.**

Strategy: To create opportunities and communication that engage members and build a sense of community and comradery among them.

- Create Membership Committee to solicit volunteers, lead conversation and help develop criteria and deliver programs to meet the changing needs of the membership
- Keep members informed via newsletters and personal communication
- Relaunch monthly socials and incorporate education about the hosting member
- Create and/or promote other events, just for members
- Create a Vineyard Committee to identify and address the needs of this member group
- Consider making the July General Meeting an afternoon BBQ event (enlist wineries to close early for greater participation)
- Create a welcome kit for all new members and announce when they join
- Create an annual report of the state of the organization (current/future), including updates from committee chairs and the Board of Directors

**VI. BOARD OF DIRECTORS – Goal: Build a dedicated and engaged Board, committed to leading the organization through transition and growth, that is community minded and works collaboratively.**

Strategy: Transition Board from advisory to working, review commitment to Board with current Board members, and recruit new Board members.

- Review Board structure and identify any additional positions required to meet long-term goals
- Identify strategic committees to meet long-term goals and assign Board chairs
- Set meeting norms for reporting on initiatives
- Review and re-write bylaws as needed
- Establish a collaborative and communicative environment
- Design an orientation kit for new Board members
- Develop approach for future Board recruitment
- Conduct an annual offsite meeting
- Conduct an annual board lunch and/or dinner

**VII. INDUSTRY AND COMMUNITY RELATIONS - Goal: To develop collaborative and positive relationships with our elected government officials and neighbors of Anderson Valley Wine Country.**

Strategy: Ensure we have a relationship with the elected officials at the county level and they are aware of our position on critical items impacting our industry.

- Appoint an Industry Affairs person, and/or sub-committee, to monitor impacts affecting our local wine country and broader industry
- Develop a working relationship with our Board of Supervisors
- Develop a working relationship with our county farm bureau
- Help county officials with messaging around the wine industry as needed
- Pro-active meetings with relevant officials, as required
- Extend our hospitality to them, invite them to join member and consumer events
- Philanthropic contributions – learn what is important to our County
- Keep abreast of political concerns and alert membership as needed
- Develop and maintain good relationships with the Wine Institute

## 2022 Strategy

The organization does not have the current resources or infrastructure to address all the goals and strategies listed above. We chose specific strategy and work goals for 2022 that we believed could be realistically accomplished, and that would begin to achieve the broader goals above. The five-year goals and strategies will be revisited at the end of each year with a new set of fiscal year goals created for the following year. Here is what we will strive to accomplish in the 2022 fiscal year:

- I. Build Out Organizational Infrastructure
  - i. Define BOD member roles and responsibilities
  - ii. Create job descriptions for staff
  - iii. Review and assess staff performance and compensation
  - iv. Oversee member benefits
  - v. Maintain and/or update bylaws
- II. Optimize & Diversify Events
  - i. Produce a profitable Pinot Noir Festival
  - ii. Produce a profitable White Wine Weekend
  - iii. Evaluate new event opportunities
- III. Increase Operational Funding
  - i. Fiscal management of the annual budget
  - ii. Monthly cash flow statements review
  - iii. Evaluation of the dues structure
  - iv. Maintain healthy and beneficial sponsor relations
- IV. Advance Marketing & PR Efforts
  - i. Establish an annual calendar and manage to this strategy
  - ii. Build upon our media relationships and find opportunities
- V. Develop Membership Programs
  - i. Manage the membership list and ensure good standing
  - ii. Develop a welcome kit for new members
  - iii. Consider input from the annual membership survey
  - iv. Determine appropriate member programs and needs
  - v. Coordinate and plan member events and training
- VII. Create Environmental & Vineyard Committees

The strategic roadmap will be used to guide efforts, prioritize work and measure success. This roadmap will be reviewed and updated accordingly annually.

## 2026 Strategic Roadmap

*Goals can be advanced as time and resources permit. Goals can be modified during annual planning meeting.*

### Mission Statement

The Anderson Valley Winegrowers Association helps nurture, advocate for and safeguard the Anderson Valley appellation. Through promotion, the AVWA establishes Anderson Valley as a premier coastal cool-climate varieties wine region while also creating a protected and equal environment for future generations.

	Membership	Marketing	Fundraising	Advocacy
<b>1 Year</b>	<ul style="list-style-type: none"> <li>- Define member &amp; sponsor benefits/programs</li> <li>- Optimize member invoice process</li> <li>- Create communication strategy</li> <li>- Develop Vineyard Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Define and promote Brand AV</li> <li>- Continue annual marketing efforts</li> <li>- Source placement &amp; design AVA sign</li> <li>- Continue to build Media partnerships</li> <li>- Publish vintage &amp; harvest reports</li> </ul>	<ul style="list-style-type: none"> <li>- Relaunch &amp; optimize Pinot Fest</li> <li>- Hold a White Wine Passport Weekend</li> <li>- Ensure healthy sponsor relationships</li> <li>- Address issues w/dues structure</li> </ul>	<ul style="list-style-type: none"> <li>- Partner with other associations/organizations</li> <li>- Develop Environmental Committee</li> </ul>
<b>2-3 Year</b>	<ul style="list-style-type: none"> <li>- Roll out benefits &amp; programs</li> <li>- Vineyard Committee helps with Vineyard focused events &amp; education</li> <li>- Update bylaws as required</li> </ul>	<ul style="list-style-type: none"> <li>- Develop brand AV SWAG program</li> <li>- Leverage Media partnerships</li> <li>- Evaluate feasibility of Media events: Roadshow, AV "camp" event, etc.</li> <li>- Improve digital tourist experience</li> </ul>	<ul style="list-style-type: none"> <li>- Perform a dues restructure</li> <li>- Design &amp;/or execute any new events</li> <li>- Identify grants &amp; evaluate foundation</li> <li>- Develop Fundraising Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Environment Committee helps to educate &amp; safeguard our community</li> <li>- Develop Industry Affairs Committee</li> </ul>
<b>3-5 Year</b>	<ul style="list-style-type: none"> <li>- Membership growth, enthusiasm &amp; support from value received</li> </ul>	<ul style="list-style-type: none"> <li>- Participate in consumer/Press events</li> <li>- Develop historical archives</li> <li>- Evaluate feasibility of an AVA map</li> <li>- Assess partnerships w/other AVAs</li> </ul>	<ul style="list-style-type: none"> <li>- Fundraising Committee helps with fundraising and to create a foundation</li> <li>- Reassess current, &amp; identify alternative, revenue sources</li> </ul>	<ul style="list-style-type: none"> <li>- Support causes via foundation</li> <li>- Industry Affairs Committee helps to educate our community &amp; support industry causes</li> </ul>

## Conclusion

Here's what we want you to know: The Anderson Valley Winegrowers Association strives for us to be more well known as a premium, recognized wine region and destination. Our success is realized by the creation of a collaborative community of members, partners, neighbors, consumers, and visitors...

Things are changing. We are innovating, we are shifting, we have a plan and goals. We are working to be better communicators and better leaders. We understand that we represent you and we take our job seriously. We are striving for member unity and organizational success. We are happy to serve the wine community of Anderson Valley.

Sincerely,  
The Board of Directors and the Executive Director

July 20<sup>th</sup>, 2021



## Appendix

The Strategic Planning meetings were held in two different sessions. The first was a meeting was held only with the Board of Directors, and led by non-profit consultant Meagan Demitz and business consultant, Summer Jeffus of Exchange Bank. The offsite was moderated by Summer Jeffus at Scharffenberger Winery on June 9th, 2021.

In attendance on June 9<sup>th</sup> was the current Board of Directors of the Anderson Valley Winegrowers Association:

Chris Lanier, Lula Cellars  
Sarah Wuethrich, Maggy Hawk Wines  
Cris Carter, Weatherborne Wine Corp.  
Jeffrey Jindra, Scharffenberger Cellars  
Norman Kobler, Philo Vineyard Solutions  
Absent: Travis Scott, Visit Mendocino

And the staff of the Anderson Valley Winegrowers:

Courtney DeGraff, Executive Director  
Anya Farquhar, Design & Marketing

And Sonoma State Wine Business Graduate:

Fiona Fang, MBA

*This document was prepared for membership in July 2021 by Courtney DeGraff*

## **Anderson Valley Winegrowers Association: Forging The Path to Nonprofit Sustainability As A Wine Trade Organization**

### **BACKGROUND**

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Known for its premium Pinot Noir among the coolest climate wine regions of California, Anderson Valley was the first wine region on the North Coast to be officially recognized as an American Viticultural Area in 1983 after local vintners of Navarro's petition to the Bureau of Alcohol Tobacco and Firearms was approved. Since its inception in 1997, its annual Pinot Noir Festival had gained a cult following among insiders, especially Pinot-philies. However, the festival was cancelled for the first time following Covid-19 restrictions in 2020. The Anderson Valley Winegrowers Association ("The Association", or "AVWA"), the primary event orchestrator, had since hybridized the Festival, introducing marketing campaigns, online content, driving traffic to member wineries. In the same year, non-festival related sponsorships also increased (*Exhibit 1*).

Courtney DeGraff, Executive Director of the Association, was no stranger to change management. A former Finance Project Manager, Courtney left Boston in 2017 to pursue her passion for wine in Anderson Valley, initially managing DTC Sales and Marketing for local producer Foursight Wines. At the time, the Association had been experiencing high leadership turnover over multiple years and near financial insolvency in 2018, largely due to mismanaged expenses by stakeholders who had since left the Association. In January 2019, Courtney was hired to support the Association on contract basis, later coming to the helm of Executive Director in August 2019 to bring in continued leadership.

After her appointment, the Association began taking a different direction and gradually recovered financially, with decreasing overall expenses, and diversification of revenue streams to increasing membership volume and raising program-specific funds and objective-oriented sponsorships. Following the advent of Covid-19, the Association increasingly shifted to digital strategies to continue brand growth, investing in website redesign, the Valley's first trade press kit, and use of content marketing on different platforms to engage with consumers virtually.

However, the Association was not operating at a financially sustainable level, and struggling to achieve its key objective to promote the regional brand. Anderson Valley had historically positioned itself as a preserved remote area of pastoral charm, also echoed in published literature and critical reviews by outside observers. Commercialization and promotional efforts were kept to a minimum; corporate sponsored communications had been declined. As Courtney explained:

*"What gets me out of bed in the morning is that I'm helping a community and appellation that's special. These rural businesses have a difficult time getting people to the door or even employing people; it's humbling. There aren't over the top art insulations like you see when you drive through Napa Valley. It's real people, trying to make a living for their family and live in a beautiful place."*<sup>1</sup>

For decades, the *raison d'être* of Anderson Valley Winegrowers Association was event management, namely the Pinot Noir Festival, and to some extent the Winter White Wine Festival (formerly known as the International Alsace Varietals Wine Festival). Festival income lacked liquidity; even though these two events, especially the Pinot Noir Festival, were effectively the few main revenue generators for not just the Association, but its members, the regional economy, and a way to promote the regional brand, the required

time cost, human capital were not accurately captured in calculating its return-on-investment. Overall, Anderson Valley brand remained low in consumer awareness, especially outside of California.

Moreover, the Association's stakeholders were not aligned on its strategic direction. Many small wineries lacked capital and capacity to plan long term or invest in activities without immediate quantifiable returns, such as brand marketing and promotions, or investing in software or technologies to boost efficiency. In contrast, festival income was a historically reliable revenue stream. Courtney, on the other hand, saw great potential to grow the Anderson Valley brand; the lack of buy-in, membership collaboration and engagement, and resource scarcity drove continual challenges to do so.

## **LITERATURE REVIEW**

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### **The Wine Regional Economy Ecosystem**

In promoting a wine region, regional wine associations needed to support synergistic industries in concert with businesses within the wine value chain. The wine regional economy was marked by interdependencies between the wine, tourism, hospitality and agricultural industries<sup>2</sup>. The term "Winescape" explained the unique appeal of wine regions: the amalgamation of vineyards, wineries, natural landscape, surrounding architecture, artefacts, people and heritage<sup>3 4 5</sup>. The wine regional economy was fundamentally developed from geographical assets conducive to viticulture, overtime leading to growth of supporting industry and infrastructure, incrementally building up the region's wine specialization<sup>5</sup>. Moreover, expanding primary reasons to visit a region, such as agro-food<sup>6</sup> drew visitors who were otherwise less wine-oriented, but still ultimately elevated the collective regional brand. Thus, regional associations simultaneously promoted tourism and hospitality activities to further stimulate collective overall regional brand and economic growth.

### **Regional Brand as Marketing Value**

One of the fundamental reasons for wine regional marketing as one of the key objectives for regional wine associations was the market value derived from product origin, a marketing concept which had been studied for decades in the field of consumer product marketing. Researchers indeed have found that consumers in general do take into consideration the origin of a product as one of the factors, although not the sole factor, in determining perceived quality when making purchase decisions<sup>7</sup>. Place-based marketing was also found to have a positive effect on brand equity and increasing economic outcomes for businesses<sup>8</sup>. A survey of 800 American consumers in 2018 found that 79% of wine consumers considered its region before a wine purchase<sup>9</sup>; other research has found wine region as the top salient data point consumers use to predict a wine's<sup>10</sup>; providing regional information increased consumer confidence in the product's subsequent quality and helps with product expansion into new markets and that a region's perceived quality also raised the quality expectation of its sub-regions or appellations<sup>11</sup>. Thus, place-based marketing had been heavily utilized by the wine industry, evidently in the efforts of wine regions to establish, legislate, protect use of official designations in global jurisdictions, the employment of regional names front and center in product descriptions, educating consumers on regional qualities, and litany of appellation and labelling laws.

Considering the competition for lesser-known appellations, there were 252 established AVAs within the United States, with 12 proposed in the year 2020 alone, and 12 others pending approval by May 2021<sup>12</sup>. Appellations faced an uphill battle to raise their brand awareness to a level that would be meaningfully competitive. Before consumers could discern quality, they must first recognize a regional name. The more experienced a wine consumer, the more aware they were of smaller regions (Thach ). However, highly involved wine consumers consisted only of a small, considerably niche market segment. Moreover, a survey of 403 American consumers found that while 50% utilized Country and Greater Region as markers of quality, Appellation Designation was only considered by 13.7% (Atkins 2017). Typically, “Well known regions” like Napa and Sonoma ranked far higher in choice utility (Jarvis and Rungie 2002).

As an Executive Director from a premium wine region noted, a region must first build a very strong brand before they have any leverage to command resources. In her opinion, even a region’s own stakeholders (e.g. small wineries) might choose not to invest in promoting the regional brand if they did not see an immediate benefit to their own sales. She believed brand equity was relative; Napa and Sonoma (and their sub-appellations to some extent) trump many other wine regions. The difficulty for regional associations was overcoming the vicious loop of having low brand awareness and lack of resources to grow.

### **The California Regional Wine Association Landscape in 2021**

In April 2021, there were 62 wine regional associations<sup>13</sup> across 141 American Viticultural Areas<sup>12</sup> in the state of California. The industry landscape was highly fragmented: while 20 out of all 62 associations belonged to either Napa or Sonoma appellations, some single associations served multiple small scale AVAs, such as Mendocino Winegrowers serving its 12 AVAs, with Anderson Valley being the only AVA with its dedicated association, and San Joaquin Valley Winegrowers serving its 7 AVAs.

### **Key Initiatives and Activities**

Although the focus of associations varied depending on their regional needs, associations served to promote their regional economy focusing on the wine business while supporting parallel industries like tourism and hospitality. Established regional associations had more trade-oriented activities and partnership programs, such as Napa Valley Vintners’ suite of professional development programs including at the Master of Wine and Master Sommelier levels; fundraising needed more brand awareness regional wine associations typically engaged in promoting awareness of their region’s brand through both consumer and trade-oriented activities, including trade outreach, consumer engagements, press and media, providing members with resources to optimize business operations, networking opportunities, and advocacy – liaising with groups like the Wine Institute to influence policies directly affecting wine businesses.

### **Funding Strategies**

Three main revenue streams were identified based on associations’ income returns (*Exhibit 2*) 1. Membership Dues, 2. Program Services (typically “earned income”, in the case of wine regional associations – consumer or trade event ticket sales), and 3. Contributions including Grants and Fundraising. A few associations such as Napa Valley Vintners, Sonoma County Vintners, Santa Barbara Vintners, Paso Robles Wine Country Alliance, have investment income. Additionally, associations like Napa Valley Vintners, Sonoma County Vintners, Santa Barbara Vintners and Paso Robles Wine Country Alliance all had

separate nonprofit 501 C(3) charitable Foundation entities, focusing on fundraising for local wine and community programs and services.

*Exhibit 2: Major revenue streams of select regional wine associations, based on Form 990 Return of Organization Exempt From Income Tax*

Association	Total Revenue*	Membership dues	Program Services ex. Dues	Contributions grants fundraising
Sta Rita Hills 2018	54,812	30,343	15,469	9,000
Wine Artisans of Santa Lucia Highlands 2018	117,614	68,580	-	49,034
Howell Mountain Vintners & Growers Association 2018	142,135	37,769	43,314	61,048
Mendocino Winegrowers 2018	227,621	145,199	62,006	20,416
Monterey County Vintners & Growers Association 2018	244,411	180,917	-	120,555
Winegrowers of Napa County 2018	258,807	258,807	-	-
Anderson Valley Winegrowers 2018	270,006	62,430	207,566	-
Russian River Valley Winegrowers 2018	330,541	174,603	67,964	87,347
Santa Barbara Vintners 2018	508,699	320,580	181,699	-
Temecula Valley Winegrowers Association 2019	526,168	163,058	179,979	183,131
Santa Cruz Mountains Winegrowers 2018	548,341	111,509	436,778	-
Winegrowers of Dry Creek Valley 2018	954,320	103,301	845,330	5,593
Paso Robles Wine Country Alliance 2019	1,541,813	873,848	445,996	227,596
Sonoma County Vintners 2018	2,003,805	740,016	602,369	1,035,895
Napa Valley Vintners Inc. 2018	6,553,002	2,318,845	140,225	2,932,325

Additionally, some wine regions had been reviewing the Business Improvement District (“BID”) assessment model as a source of steady financial pipeline. The Temecula Valley Winegrowers Association was the first American AVA to implement this resolution in April 2021, adopting a 1% BID levy on DTC sales, including wines, wine club sales, tickets, tours, merchandise, which was projected to generate about \$1.27 million in the first year, tripling the Association’s annual revenue, while freeing it from the shackles of membership dues and donations<sup>14</sup>. Moreover, direct community and consumer benefits were required by law: BID funneled directly toward a nonprofit, in Temecula’s case, to fund regional marketing *and* special programs. Nonetheless, BID was heavily contested in Santa Barbara, where some 80 wineries formed a coalition to oppose BID, citing concerns around transparency, mistrust of the Association that fees would be used to benefit bigger wineries.

### Membership Dues Structures

Regional associations defined rules for their membership categories and tiers, and how membership dues were calculated (Exhibit 3). For winery members, most associations charged starting with a flat base fee, with incremental additional charge either by production scale (volume of tons crushed, cases bottled) or by sales (cases sold). Some charge only a flat fee regardless of winery scale, but that was uncommon. For vineyard members, calculation was either by acreage, tons crushed, or tons sold. Finally, associate members which is the broadest category, some implement flat fees, some implement by type of business (e.g. Corporate, Business, Restaurants).

*Exhibit 3: Membership dues structure calculation methods, based on 18 associations sampled*

Wineries	Vineyards	Associates
Flat fee	Flat fee	Flat fee
Base + Tons Crushed	Base fee + Acreage	Corporate / Business / Restaurant
Base + Cases Produced	Base + Tons crushed	Business size
Base + Cases sold	Base + x(Tons Grown + Crushed)	
	Base + Acreage sold	

## Defining Financial Sustainability as Nonprofit

All wine regional associations, as trade associations under Inland Revenue Services 501(c) (6), were nonprofits whose sole purpose was to promote common interests of members, represent the interests of specific industry, or industry segment within an area, and must not engage in for-profit business activity, pay dividends or shares. However, nonprofits, including wine regional associations, did need to generate finances just to sustain its operations: at a minimum, to carry out its program objectives, cover overheads and pay its employees. Unfortunately, many struggled to achieve financial sustainability. Among a sample of 15 regional associations, 8 recorded net losses in the latest year of publicly available Form 990 records (Exhibit 4). The difference between making a profit and being a financially healthy nonprofit with financial surplus was that nonprofits may not use funds for purposes unrelated to the mission, or distribute profits for personal interests. Nature Conservancy defined financial sustainability as: “capacity to obtain reserves in response to a demand, in order to sustain productive processes at a steady or growing rate to produce results and obtain a surplus”. Wine regional associations could define, monitor and evaluate financial performance indicators as part of their association goals to grow.

*Exhibit 4: Profit and loss of 15 wine regional associations, latest year available.*

IRS 990 Latest	Total Revenue*	Total Expenses	Gross Profit	Net Assets
Paso Robles Wine Country Alliance	1,541,813.00	1,396,139.00	145,674.00	400,067.00
Sonoma County Vintners	1,612,898.00	1,584,801.00	28,097.00	147,044.00
Russian River Valley Winegrowers	330,541.00	307,441.00	23,100.00	257,344.00
Winegrowers of Napa Valley	258,807.00	239,533.00	19,274.00	283,026.00
Sta Rita Hills	55,275.00	46,287.00	8,988.00	56,466.00
Winegrowers of Dry Creek Valley	954,320.00	945,636.00	8,684.00	212,966.00
Howell Mountain Vintners & Growers Association	142,135.00	149,126.00	(6,991.00)	165,058.00
Santa Barbara Vintners	508,699.00	517,746.00	(9,047.00)	(53,933.00)
Temecula Valley Winegrowers Association	474,610.00	510,801.00	(36,191.00)	104,129.00
Wine Artisans of Santa Lucia Highlands	258,042.00	299,171.00	(41,129.00)	139,303.00
Santa Cruz Mountains Winegrowers	548,341.00	590,358.00	(42,017.00)	24,375.00
Monterey County Vintners & Growers Association	244,411.00	301,034.00	(56,623.00)	6,609.00
Anderson Valley Winegrowers	270,006.00	341,985.00	(71,979.00)	37,607.00
Napa Valley Vintners Inc.	6,553,002.00	6,644,826.00	(91,824.00)	11,047,270.00

## Covid-19 Adaptations

Although it had been over a year into the Covid-19 pandemic in April 2021, wine regional associations were still adapting to resulting changes and continual challenges. The offline-to-online shift proved critical to business survival across the industry; not only did regional associations need to equip members with adequate resources to implement digital channels, they also needed to support the broader operating environment to enable business changes: tracking pandemic-related policy such as employer health and safety obligations, reopening measures; regulatory framework changes such as DTC shipping

restrictions, various relief programs and vaccination requirements relevant to wine businesses, and lobbying to influence them.

### **Offline-to-Online Shift**

Previously seen as a weakness rather than a threat, the wine industry's technological gaps became glaringly evident as revenue channels that relied on in-person presence ground to a halt with mandatory closures. Although many small wineries were already selling direct-to-consumer before Covid, they also increased discounts to increase consumption during the pandemic<sup>15</sup>. Consumers were notably consuming higher volume of wines off-premise, as well as spending more per bottle on average, but on "tried-and-true" brands from major retailers both online and offline, supermarkets.

Regional associations began to incorporate technology in different processes along the consumer lifecycle, from hosting virtual tasting events, offering online auctions, increasing use of digital marketing and multimedia content, partnering with technology platforms, and experimenting with offline and online models to varying degrees for event organization. Amador County partnered with CellarPass to streamline ticket sales management while adhering to California's Covid-19 venue capacity requirements. Other regions have introduced Passport Programs, regional wine packs and virtual tastings.

### **Context of Anderson Valley and the Anderson Valley Winegrowers Association**

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Just 110 miles north of San Francisco, the Anderson Valley AVA was recognized by viticulturalists for its potential to grow premium cool climate varietals due to a combination of climate, topographical and geological factors<sup>16</sup>. A rare transverse valley of steep rolling hills up to 2,500 elevation, the mere 15 mile of prime winegrowing area spanned from Navarro along its river watershed through Philo, and warmer Boonville (marked as Region I on the UC Davis Heat Summation scale) to the south, moderated by both coastal fog penetrating inland, and maritime influences from San Pablo Bay<sup>17</sup>, resulting in wide diurnal shifts needed for Burgundian varietals. 24 soil types were identified in the Valley<sup>16</sup>. Most of its deep valley floor soils were alluvial with a mix of clay, gravel and loam above bedrock, contributing to lighter wines<sup>18</sup>.

Anderson Valley Winegrowers Association was founded to support the growth of Anderson Valley's wine industry. As a trade organization, the overarching organizational goal of AVWA was to support all businesses and stakeholders along the regional wine value chain. These business categories were roughly reflected in their membership types: Vineyard members, defined as industry members engaged in wine grape growing; Bonded winery members with or without a tasting room within Anderson Valley; Associate members, which consisted of businesses from various related industries, from hospitality including restaurants, lodging, as well as farms, local shops and supporting infrastructure businesses like American AgCredit.

Members were categorized as Vineyard, Winery and Associate. The membership dues structure (Exhibit 5) shows the method of calculation. Vineyard membership dues started at \$355 upwards of \$1,775 calculated by acreage, regardless of production or sales; Winery dues started at \$560, calculated by per gallon or case production, but wineries with Anderson Valley tasting rooms paid 35% more than wineries without, capped at a maximum of \$3,550 while wineries without tasting rooms paid \$2,230 maximum. Wineries were also required to provide six bottles of Anderson Valley AVA "dues wines" used for press, volunteers, events, tastings, marketing, photography and other association activities. Finally, Associate members paid \$155. Members benefits included being featured

in the Mendocino Coast Visitors Guide, as part of the “Wine Road to the Coast” Map, listing and ability to advertise on the Association website, an opportunity to be featured in PR outreach, networking opportunities, social media, and press outreach opportunities.

*Exhibit 5: Anderson Valley Winegrowers Association Membership categories and dues*

## Vineyard

### We invite any vineyards in Anderson Valley

<input type="checkbox"/> Less than 12 acres of grapes	\$355	<input type="checkbox"/> 51-75 acres of grapes	\$1215
<input type="checkbox"/> 13-25 acres of grapes	\$560	<input type="checkbox"/> 76+ acres of grapes	\$1775
<input type="checkbox"/> 26-50 acres of grapes	\$760		

## Winery

### We invite any wineries who produce Anderson Valley wines.

Winery dues additionally include six bottles of wine produced from Anderson Valley AVA grapes, with “Anderson Valley” on the label. These bottles will be used for events, tasting submissions, marketing efforts, photography, and for other association business. **To be invited to participate in the Anderson Valley Pinot Noir Festival in May, you must be a current WINERY MEMBER (including dues wines.)**

#### ANNUAL DUES with TASTING ROOM IN ANDERSON VALLEY

<input type="checkbox"/> Less than 25k gallons (10.5k cases)	\$760	+ 6 bottles of AV wine
<input type="checkbox"/> 25k–75k gallons (10.5k-31.5k cases)	\$1520	+ 6 bottles of AV wine
<input type="checkbox"/> More than 75k gallons (31.5+ cases)	\$3550	+ 6 bottles of AV wine

#### ANNUAL DUES without TASTING ROOM IN ANDERSON VALLEY

<input type="checkbox"/> Less than 25k gallons (10.5k cases)	\$560	+ 6 bottles of AV wine
<input type="checkbox"/> 25k–75k gallons (10.5k-31.5k cases)	\$1115	+ 6 bottles of AV wine
<input type="checkbox"/> More than 75k gallons (31.5+ cases)	\$2230	+ 6 bottles of AV wine

## Associate – Community

### We invite any local individuals or business professionals

<input type="checkbox"/> Associate Member – Community	\$155
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#### BENEFITS

- Support our wine region sustainability
- Attend monthly member networking socials
- Opportunity to purchase sponsored ad content (AVWINES.com, emails, map, & social media)

## Associate – Tourism Relevant

### Non-AV Producers, Vineyard Management, Lodging, Dining, Hospitality, and other tourism supporters

<input type="checkbox"/> Associate Member – Tourism Relevant	\$155
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Apart from wine quality, Anderson Valley’s brand growth was attributed to reputable large scale producers who invested in Anderson Valley vineyards to produce ultra-premium Anderson Valley wines, mostly Pinot Noir and sparkling wine. Champagne house Roederer Estate was the first large scale international producer to put Anderson Valley on the global radar in 1982, choosing Philo in Anderson Valley as their first sparkling wine production outside of France to expand globally. A winemaker from one of Roederer’s portfolio sparkling houses noted: “Roederer chose Anderson Valley for quality, not marketing”, referring to the other contrasting Champagne houses who chose Napa Valley at the time. Subsequently reputable vintners from nearby Napa and Sonoma sought out the Valley for its unique terroir at relatively lower production costs. Milestone investments later ensued, by the likes of Littorai, Copain, Cakebread, Jackson Family, Duckhorn, Cliff Leade; inadvertently endorsing Anderson Valley with their award-winning premium Pinot Noir productions.



However, the majority of Anderson Valley's wineries at the time of this case study produced less than 5,000 cases annually – according to available membership data, over 15% of wineries with available data had less than 1,000 case production. One of Anderson Valley's biggest corporate owner, Jackson Family Wines, had over 300 acres in 5 vineyards. While corporate-backed producers helped amplify the Anderson Valley brand, the Valley served as one of their many viticultural repertoires for producing cool climate wines at a lower cost; they all had greater stakes in other globally-recognized regions like Napa and Sonoma. Additionally, the Anderson Valley brand was almost exclusively attached to Pinot Noir, and to some extent sparkling wine. A 2019 vineyard census found that 92% of all 90 Anderson Valley vineyard properties (including wineries with vineyards) grew Pinot Noir; 48% properties grew only one single varietal. The average price of Anderson Valley wine was \$50, in the ultra-premium range.

*“Anderson Valley has remained preserved and lacks tour buses, obtrusive art exhibitions within the vineyards, high tasting room fees... The Valley has a style and prides itself on not being commercialized and for maintaining authenticity. For those looking to enjoy the spoils of how wine country used to be, Anderson Valley warmly awaits you.”*

Under-commercialization, as illustrated by Courtney on the Association's blog, was both structural and cultural. Geographically, Anderson Valley was not only more disadvantaged in proximity to San Francisco than Napa and Sonoma, inhibiting tourism, but due to County zoning and development restrictions and conservation efforts, infrastructure and land were insufficient; unaffordable housing and high living costs combined with low pay rates relative to nearby wine regions resulted in a very tight labor market; Wine “brain drain” to nearby Sonoma was common. All factors limited further regional economic growth. Moreover, while visitors travelled occasionally to Anderson Valley, wine tourism was not among the top reasons that visitors travelled to Mendocino County. As such, some Anderson Valley wineries had long relied on wine clubs and online DTC channels rather than tasting room sales, and were not as negatively affected by the Covid-19 online shift.

## **Operations**

As a nonprofit trade organization, the Association was led by a voluntary Board of Directors, which consisted of the President, Vice President, Treasurer, Secretary, Winery Representative, Vineyard Representative, and Hospitality Representative. These Officers were responsible for the Associations' planning and implementation decisions, including budget, memberships, programs and activities. In addition to the Board, members in good standing held one vote per member on Association's decisions. Various project-oriented committees, such as Marketing Committee and Pinot Festival Committee, were formed, each chaired by one Officer, to discuss and manage relevant issues.

The Executive Director was the only full-time position at the Association. Apart from providing leadership, the Executive Director was also responsible for managing day-to-day operations, liaising between the Board, Members, and external stakeholders while carrying out the Association's programs, managing branding, marketing and memberships. Two extremely part-time contract workers were hired for marketing and administrative support respectively. The Executive Director saw the need for at least one extra full-time support, but was not possible given the Association's financial constraints and already below market salary rates (Exhibit 6) which also led to high turnover.

*Exhibit 6: Salary benchmark of select California wine associations, latest 990 data available, by descending order*

Association Name	Executive Director Compensation (salary, bonus)
Napa Valley Vintners	\$550,700
Winegrowers of Dry Creek Valley	\$209,000
Oakville Winegrowers	\$206,000
Santa Barbara Vintners Association	\$160,700
Monterey County Vintners & Growers Association	\$138,000
Santa Cruz Mountains Winegrowers	\$125,000
Mendocino Winegrowers	\$95,800
Russian River Valley Winegrowers	\$88,400
Wine Artisans of Santa Lucia Highlands	\$82,000
Anderson Valley Winegrowers	\$61,000

The Association's key business activities included event planning and organization, supporting membership, and activities to promote the regional brand including trade and consumer marketing, creating strategic business partnerships. Current leadership believed that revenue streams needed diversification beyond in-person channels, specifically events, to become sustainable for several reasons. First, a single event required significant personnel time and was a conflicting opportunity cost for working on strategic activities to grow the Association. The profit and loss statements could not accurately account for the intangible human capital and time – the ultimate cost – in the equation. Return on investment was therefore not quantifiable.

Second, a lack of steady cash flow due to the fact that events were annual occurrences. Given this was one of the few major revenue sources, miscalculations could lead to disproportionate long term financial issues. Previous financial mismanagement was partially attributed to a miscalculation of costs and lower than expected profit for a single event. Finally, Covid-19 demonstrated the greater industry problem of relying on on-premise, including events, and moreover technological underutilization. As such, Courtney believes there was potential for technological adoption, use of virtual experiences, webinars, and educational content to engage consumers. In 2020, the Association began increasing branding and promotional initiatives to expand brand awareness on multiple channels, leveraging digital platforms like Tock. Although expenses for professional services increased (in marketing and creative design), sponsorships and membership rates also grew.

Going forward, Courtney has considered revising memberships to be more in line with similar wine regions. This is in terms of the dues structure, membership types offered, increasing benefits for vineyards, and objective-based sponsorships like raising funds for the Masterclass to justify spending with direct tangible outcomes. However, buy-in and engagement would need to increase. Courtney had previously proposed a litany of ideas to the Board, including a strategic mindmap, but there were too many different “nice to have” ideas that were too costly and impractical to execute.

*“We’ve been trying to teach our community about the importance of digital marketing and getting our brand out of the valley, which is critical- especially for a rural region. It is an investment, without immediate ROI. But, if you build awareness, they (wine tourism) will come.”*

While Courtney and her marketing consultant had cumulatively spent days analysing optimal marketing strategies, tracking marketing metrics and increasing social media activity, when they advised members on marketing strategies, and even provided them with

curated messages, assets and emails to circulate on their mailing list, the reception was mixed. They even assembled a marketing team to meet regularly as an attempt to assist in these marketing efforts.

### **Future Opportunities and Direction**

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The pandemic was a catalyst for marketing and digitization, expanding online channels beyond ecommerce, which has demonstrated positive outcomes – virtual events, webinars, use of social media, etc. Courtney had further ambitions to expand programs and invest in digital marketing and technology, but she needed extra full-time personnel and funding to do so. The Association could implement a simple financial planning and tracking process to monitor and maintain solid financial health. Membership dues structure could be revised to include alternatives for different small winery tiers. In terms of growth, more focus could be put into customer acquisition (rather than customer retention). Especially with specific customer segments in mind, more targeted partnerships across industries and outside of the region could lead to further growth. Technology could be further adopted as a cost-effective way to scale outreach.

#### **Implement periodic financial planning system with financial performance Indicators**

A plan was needed to achieve financial sustainability. There was a budget system where the Board determines the annual budget, and the Treasurer was mainly responsible for monitoring funds periodically, but there was no targets. The Executive Director was responsible for the festival budgets. The Board could first answer critical questions such as: What is the minimum we need to raise annually? Monthly? For each event? What are the basic administrative costs? Monthly operational costs? What costs could be reduced or increased? The Board could then decide on key indicators of financial health to set targets, such as expense levels, revenue streams, and financial ratios.

#### **Set up a Donor and Sponsor engagement plan, framework and process**

Courtney was successful at getting marketing-specific sponsorships. When sponsors see immediate outcomes for their dollars, they were more receptive. A systematic plan to identify potential donors, why they would be interested, what AVWA meant for them; a process-driven plan on outreach techniques, engagement, follow up, and showing appreciation and recognition, could be implemented to enhance sponsorship and donation while making the process replicable.

#### **Revise membership structure**

The Association's membership dues were below market rate. Moreover, vineyard rates were calculated by acreage, but the bands every incremental of 15 acres up to 76+. The acreage number could be narrowed. Alternatively vineyards could be assessed by tons crushed or even sold. The major problem however is climate issues and fires – some regional associations saw significantly decreased dues because of no production after fires. Winery calculations currently started at a high volume, which most small wineries in Anderson Valley were effectively not affected by. Santa Cruz Vintners recently introduced a "Micro winery" tier. Anderson Valley could consider tiers for under 1,000 case production wineries, incremental by 1,000. The numbers should reflect the population of Association members.

**Expand customer acquisition**

According to sources, Anderson Valley's festival visitors were also the same customers of Anderson Valley's wine clubs. In other words, revenue was being generated from the same small pool of people. Marketing research has shown that customer loyalty was not sustainable – heavy buyers eventually revert to the mean, while non- and light consumers are likely to increase consumption given the brand awareness and exposure. The Association needed to increase new customer acquisition, and potentially identify customer attributes based on Anderson Valley's unique assets to that of potential customer personas. This could include customers that like natural or biodynamic wines; customers with higher disposable income; customers with an affinity for European-influenced cultures; customers who travel for good food; customers that just want to get away from the urban lifestyle. The Association could also target by cosmopolitan areas with direct access to Anderson Valley, such as cities with direct flights to Santa Rosa Airport.

**Expand partnerships**

Leverage partnerships across geographies and industries, especially greater Mendocino County. Using Conjunctive Labelling as an example, research has shown that brand awareness grew for both Sonoma County and its sub-regions since the use of conjunctive labelling (Atkin 2017). Anderson Valley could partner with Mendocino to support greater area tourism and hospitality industries, such as offering special local wine packages to hotel guests, or participate in the Mendocino Coast Winesong auction. The Association could also seek out partnerships with other wine regional associations. For instance, hosting winemaker road shows in urban areas.

**Increase tourism alternatives leveraging Anderson Valley assets**

Anderson Valley had other unique assets, including its agriculture, local farm-to-table cuisine, nature, and a local culture. The Association could ideate topical themes to create appealing campaigns that promote unique rustic culture, agro-tourism, farm stays, music festivals, while using interesting themes to target and attract new consumer demographics, such as younger urban segments. The use of farm land could be a new form of lodging, or use of outdoor space for "glamping" if local regulations permit.

**Offer digital alternatives to consumer engagement, including virtual events**

In 2020, the Association had been successful increasing use of online channels, digital marketing, introducing virtual experiences, and increasing content marketing. Their "Visit from Home" series that included special offers, and connecting consumers with producers through video; the Virtual discounts page created at the onset of the pandemic was also the #1 most visited page on the Association's site for the rolling calendar year May 2020 year. The Association could find ways to strengthen the online channel, especially stronger Search Engine Optimization, virtual experiences, such as offering vineyard tour live streaming, interviews with winemakers, or experiment other technology platforms for ways to cross-promote, as they did with Tock, to reach new customers. Hybrid models incorporating offline-to-online could also be explored to include elements of using platforms for organizing ticket sales, customer acquisition. Content marketing could be expanded for trade, such as Anderson Valley-specific viticultural or vineyard management professional educational workshops.

Fiona Fang  
Exhibit  
Income Statements  
Fiscal Year 2015-2019

BUS 591

	Aug '15 - Jul 16	Aug '16 - Jul 17	Aug '17 - Jul 18	Aug 18-Jul 19	Aug 19-Jul 20
<b>INCOME</b>					
<b>4000 · Gross Income</b>					
4001 · Membership Dues	47,539.50	54,430.00	54,335.00	54,339.88	71960
4002 · General Sponsorship			11,542.50	28,040.00	31500
4100 · Festival Income					
Raffle Tickets					800
4105 · Auction	27,717.00	28,505.00	26,997.00	2,525.00	11,988.15
4110 · program ads				7,250.00	1,840.00
4115 · Designated Driver Tickets	2,100.00	60.00		1,725.00	
4120 · Main Event Tickets	92,994.00	104,422.42	64,521.90	68,546.83	43,413.79
4130 · Press Dinner			36.00		
4125 · Merchandise	2,801.65	724.00	810.00	1,816.30	168.00
4135 · Table fees Wineries and Vendors	24,950.00	25,838.60	58,078.51	24,760.00	24,008.00
4140 · Sponsorship	10,000.00	9,000.00	1,250.00		
4145 · Tech Conference Tickets	7,670.00	6,295.30	2,941.00	5,600.00	
4150 · Winemaker Dinner Surcharge	29,635.00	42,520.02	17,775.00	10,675.00	
4151 · Winemaker Workshop			1,918.00		
4155 · Combination Ticket	7,230.00	14,781.10	5,154.00	8,344.50	
4160 · BBQ Tickets	15,100.00	16,106.16	12,879.70	13,440.00	
4163 · Buffet dinner & Concert tickets				175.00	
4165 · Welcome Dinner Tickets	175.00	80.00	234.00		
4100 · Festival Income - Other			3,250.00	-80.00	
Total 4100 · Festival Income	220,372.65	248,332.60	195,845.11	144,777.63	82217.94
4300 · Promotional Events					
4310 · Event Registration	4,385.00	6,546.05	11,263.50		
4315 · Ticket Sales	8,695.15	5,410.66	15,661.91		
4320 · Other	575.73	600.00	534.50		
4330 · Sponsorship	7,894.96	10,000.00	1,000.00		
Total 4300 · Promotional Events	21,550.84	22,556.71	28,459.91		
4420 · Miscellaneous Income	-44.00	50.00	290,182.52		
Total 4000 · Gross Income	289,418.99	270,939.31	290,182.52	227,157.51	185677.94
Total Income	289,418.99	270,939.31	290,182.52	227,157.51	185677.94
<b>EXPENSE</b>					
		92.22%			
<b>5000 · Administration Expenses</b>					
5010 · Internet	996.48	740.00	1,132.00	750.00	904.00
5020 · Web Site Hosting	2,288.00	2,345.00	419.98	440.76	856.51
5030 · Quickbook Fees	33.66	88.25	47.25	3.50	26.25
5040 · Bank Service Charges	6,538.67	2,388.47	476.05	12.00	5.00
5050 · Office Supplies	1,974.51		2,105.54	1,617.45	1,010.38
5060 · Miscellaneous	10,150.00	1,472.84		68.76	
5070 · Dues and Subscriptions	1,088.99	99.00	99.00	149.00	119.88
5080 · Insurance					
5081 · Liability Insurance	1,187.13	2,292.75	2,435.00	1,389.12	2,403.00
5080 · Insurance - Other	0.00	0.00		866.00	
Total 5080 · Insurance	1,187.13	2,292.75	2,435.00	2,255.12	2,403.00
5100 · Licenses and Permits	199.00	130.00	30	20.00	
5120 · Postage and Delivery	356.43	453.45	664.45	810.72	424.01
5130 · Printing	3,289.86	5,626.61		3,395.38	1498.78
5140 · Professional Fees					
5141 · Program Design	1,914.45	1,375.65	210.05	1,012.91	
5142 · Sponsorships	1,400.00	500.00	500.00	26.00	
5143 · Legal Fees	2,020.00			4,920.00	
5144 · Accounting	850.00	1,100.00			

5145 · Consulting	7,480.00	12,000.00	10,000.00		200.00
5147 · Bookkeeping	6,885.75	5,512.50	4,641.25		3,640.00
5148 · Accountant	1,250.00		1,000.00	1,000.00	
5149 · Creative Design				6,150.00	8835
5140 · Professional Fees Other					200
Total 5140 · Professional Fees	21,800.20	20,488.15	16,351.30	13,108.91	12875
5150 · Telephone	1,153.08	1,224.34	981.37	1,120.15	1,228.36
5160 · Meals and Entertainment	474.03	186.77	100.00	26.60	
5180 · Professional Development	345.00			136.00	208.07
Total 5000 · Administration Expenses	51,875.04	37535.63	24,841.94	23,914.35	21,559.24
6000 · Contract Labor					
6010 · Executive Director				22,050.00	26500
6020 · Administrative Assistance	25,749.80	28,970.00	27,320.20	19,800.00	6,216.00
6030 · Expenses	33.81				
6050 · Event Help	4,153.60	4,525.02	150.00		
6060 · Sponsorship Comission	500.00			1,300.00	5600
Total 6000 · Contract Labor	30,437.21	33,495.02	27,470.20	43,150.00	38316
6600 · Payroll Expenses					
6610 · Executive Director Salary	56,563.14	54,999.88	56,826.92	0.00	33135.75
6615 · Bonus				600.00	1000
6620 · Medical insurance					3198.9
6650 · Payroll Liabilities					
6651 · State Payroll Expenses	330.94	258.96	357.57		433.99
6652 · Federal Payroll Expenses	4,562.93	4,375.49	4,953.92	-1,150.95	2,905.84
6650 · Payroll Liabilities - Other	0.00				
Total 6650 · Payroll Liabilities	4,893.87	4,634.45	5,311.49	-1,150.95	3,339.83
6660 · Workers Comp Insurance	661.52	414.01	485.00	519.84	439.06
6600 · Payroll Expenses - Other	13.55		6,481.08		
Total 6600 · Payroll Expenses	62,132.08	60,048.34	69,104.49	-31.11	41,113.54
7000 · Operation Expenses					
7010 · Marketing & Advertising	1,889.41	6,369.25	1,750.19	7,116.60	11,539.54
7020 · Operating Supplies	166.51	none	21.38		
7030 · Automobile Expense	166.18	205.87	4.50	38.63	442.95
7060 · Repairs					
Total 7060 · Repairs	224.47	213.00	79.10		
7080 · Supplies	160.57	99.05	463.12	25.00	818.04
7090 · Marketing	840.00	166.21			
7110 · Miscellaneous	500.00	22.09			
7120 · Depreciation Expense				1675	
7200 · Tax Expenses					
7201 · Federal	-5.81		190.07		
7200 · Tax Expenses - Other	59.20		59.19	69.72	135.45
Total 7200 · Tax Expenses	53.39	59.20	249.26	69.72	135.45
Total 7000 · Operation Expenses	4,000.53	7,134.67	2,567.55	8,924.95	12,935.98
8000 · Promotional Expense					
8100 · Festival Expense					
8101 · Auction	26,433.73	26,332.54	25,786.49	2,942.85	90.00
8102 · Merchandise	1,478.56	435.41	255.96	1,162.00	276.30
8103 · Advertising/Promotion			1,012.50		
8104 · Catering Supplies	1,311.95	2,947.28	none?		1242.1
8105 · Catering	68,530.63	81,334.36	46,917.82	14,750.00	7,681.45
8106 · Band	1,230.75	-139.66	1,198.00	599.00	599.00
8110 · Décor			420.00	823.28	1,613.01
8111 · Festival glases				1,243.20	
8115 · Food, Other	1,193.01	115.74	2,708.45	70.94	1,531.84
8120 · Printed Materials.	506.89	1,487.94	2,490.07	2,808.64	4,080.87
8121 · Glasses	5,165.39	4,930.20	8,197.94	4,131.61	1,679.72

8125 · Merchant Account fees	663.33	17,017.41	3,393.97	8,101.13	677.20
8136 · Site Fee			6,850.00	15,350.00	855.00
8130 · Cash	-285.00	500.00			
8135 · Fairgrounds	3,280.00	3,780.00			
8140 · Postage/Mailing	486.68	427.63	152.90		
8145 · Permits	706.00	756.00	554.00	404.00	377.00
8150 · Posters	803.59	355.58			
8155 · Press	7,381.80	6,662.60	7,365.14		664.80
8160 · Registration	396.88	160.27			
8165 · Tent Rentals	27,290.66	32,078.15	24,246.98	14,851.00	
8167 · Other rentals					4637.7
8168 · Sanitation			3,325.53	3,383.32	130.53
8170 · Sponsorship Commission	1,000.00	900.00	1,025.00	750.00	3,300.00
8175 · STD & Brochures	685.78	211.49			
8180 · Winemaker Dinner	1,942.00	-1,651.00	13,094.62	9,394.00	
8181 · Main Event	2,301.11	3,216.48	8,177.32	6,201.14	
8182 · Welcome Dinner	1,481.37	842.16	2,325.00	990.00	
8184 · BBQ			213.75	8,749.70	
8185 · Technical Conference	1,645.28	3,540.02	4,485.82	5,246.48	
8189 · Donations			4,039.89		
8191 · Mileage			130.92	577.54	105.56
8192 · event help					1101.93
8193 · Staff bonus				3,000.00	1000
8194 · Volunteer Thank Yous	200.00		500.00	83.11	
8190 Promotion		200.00			
8195 · Miscellaneous	49.20	1,046.65	3,673.68	462.47	695.93
Total 8100 · Festival Expense	155,879.59	187,487.25	172,541.75	106,075.41	32,339.94
8300 · Promotional Events					
Map		-15.00			
8311 · Glasses	1,906.36		2,309.40		
8320 · Printing	339.23		487.69		
8325 · Bank Fees	1,110.01	560.05	1,457.80		
8330 · Registration	534.72				
8340 · Postage/Mailing Fees	269.75	47.10			
8345 · Permits	101.00	177.00	50.00		
8350 · Signs/Posters/Promo Materials	618.31	1,479.86	867.05		
8355 · Lodging			791.52		242.9
8360 · Mileage	103.66	590.13	652.96		
8365 · Rentals	4,545.40	350.00	2,718.00		
8380 · Catering	5,677.50				
8385 · Food	467.91				
Sponsorship Commission		1,090.00	100.00		
8390 · Promotion	3,393.68	3,011.15	2,085.52		34.28
8395 · Miscellaneous	264.11	4,491.98	26.00		
8300 · Promotional Events - Other			3,000.00		
Total 8300 · Promotional Events	19,331.64	11,782.27	14,545.94		277.18
Total 8000 · Promotional Expense	175,211.23	199,269.52	187,087.69		32,617.12
8999 · Uncategorized Expenses	0.00	562.36			
9500 · Reconciliation					
Discrepancies	-0.27	-19.29			
Total Expense	323,655.82	338,026.25	311,071.87	182,033.60	146,541.88
Net Ordinary Income	-34,236.83	(67,086.94)	(20,889.35)	45,123.91	39,136.06
9010 · Interest Income	55.48	3.55	10.61	10.79	15.16
Total Other Income	55.48	3.55	10.61	10.79	15.16
Net Other Income	55.48	3.55	10.61	10.79	15.16
Net Income	-34,181.35	(67,083.39)	(20,878.74)	45,134.70	39,151.22

**End Notes**

1. All quotes in this case except where noted are based on field interviews with Courtney DeGraff between January and May 2021.
- <sup>2</sup> Atkin, T., Wilson, D., Thach, L. and Olsen, J., 2017. Analyzing the Impact of Conjunctive Labeling as Part of a Regional Wine Branding Strategy. *Wine Economics and Policy*.
- <sup>3</sup> Sottini, V. et al (2019, July 26.) *Winescape perception and big data analysis: An assessment through social media photographs in the Chianti Classico region*. *Wine Economics and Policy* 8 (2019) 127e140
- <sup>4</sup> Bruwer, J, Johnson, R. 2007. Regional brand image and perceived wine quality: The consumer perspective. *International Journal of Wine Business Research* 19(4):276-297
- <sup>5</sup> Peters, G., *American Winescapes: The Cultural Landscapes Of America's Wine Country*, (1997). Routledge.
- <sup>6</sup> Santeromo F.G., Seccia, A., Nardone, G., 2017. The synergies of the Italian wine and tourism sectors. *Wine Econ Policy* 6(1), 71–74. <http://dx.doi.org/10.1016/j.wep.2017.01.001>.
- <sup>7</sup> Balestrini, P., Gamble, P., 2006. Country-of-origin effects on Chinese wine consumers. *Br. Food J.* 108(5), 396–412.
- <sup>8</sup> Christensen, B, et al. (2015) *Regional identity can add value to agricultural products* *Calif Agr.*, 69 (2)
- <sup>9</sup> Wine Origins Alliance.
- <sup>10</sup> Bruwer, J, Reilly, M (2006) The power of word-of-mouth communication as an information source for winery tasting room visitors. *Australian and New Zealand Wine Industry Journal* 21(3): 43–52.
- <sup>11</sup> Ibid.
- <sup>12</sup> Bureau of Alcohol, Tobacco and Firearms. American Viticultural Areas (AVAs). Retrieved from <https://www.ttb.gov/wine/american-viticultural-area-ava>
- <sup>13</sup> Wine Institute. Regional Winery & Grower Associations Of California. Retrieved from <https://wineinstitute.org/our-industry/regional-associations/>
- <sup>14</sup> Temecula Valley Wine And Agricultural Heritage District Management District Plan November 20, 2020
- <sup>15</sup> McMillan, R., (2021) State of the US Wine Industry 2021. Retrieved March 22 2021, from <https://www.svb.com/trends-insights/reports/wine-report>
- <sup>16</sup> Bureau of Alcohol, Tobacco and Firearms. (April 4, 1983) Federal Register Vol 48, No 65. Notice No. 461 *Notice of Proposed Rulemaking*
- <sup>17</sup> The Climate of Mendocino County, Mendocino County Farm Advisor
- <sup>18</sup> International Wine Review. 2020. The Wines of Anderson Valley.