# Table of Contents

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td></td>
</tr>
<tr>
<td>Nebraska Grape and Winery Board of Directors</td>
<td>i</td>
</tr>
<tr>
<td>Overview of Activities</td>
<td></td>
</tr>
<tr>
<td>Executive Summary</td>
<td>1</td>
</tr>
<tr>
<td>Strategic Plan</td>
<td>5</td>
</tr>
<tr>
<td>Request for Proposals</td>
<td></td>
</tr>
<tr>
<td>News Release, April 1, 2011</td>
<td>19</td>
</tr>
<tr>
<td>Request for Proposal Application Instructions</td>
<td>21</td>
</tr>
<tr>
<td>Survey Letter to Grape Growers</td>
<td>28</td>
</tr>
<tr>
<td>Grape Growers Survey</td>
<td>29</td>
</tr>
<tr>
<td>Meeting Minutes</td>
<td></td>
</tr>
<tr>
<td>Minutes, August 20, 2010</td>
<td>33</td>
</tr>
<tr>
<td>Minutes, November 20, 2010</td>
<td>38</td>
</tr>
<tr>
<td>Minutes, March 3, 2011</td>
<td>43</td>
</tr>
<tr>
<td>Minutes, June 2, 2011</td>
<td>47</td>
</tr>
<tr>
<td>2010 – 2011 Fiscal Report</td>
<td>57</td>
</tr>
<tr>
<td>Contracts</td>
<td></td>
</tr>
<tr>
<td>NWGGA Contract – Executive Director and Marketing Activities</td>
<td>61</td>
</tr>
<tr>
<td>Mac’s Creek Vineyard and Winery – Cold Hardiness Study</td>
<td>66</td>
</tr>
<tr>
<td>NWGGA Contract – Passport Program</td>
<td>71</td>
</tr>
<tr>
<td>NWGGGA Contract – Grapevine Nutrition</td>
<td>76</td>
</tr>
<tr>
<td>UNL Contract – Viticulture Program</td>
<td>81</td>
</tr>
<tr>
<td>Mac’s Creek Vineyard and Winery – Ozone Technology</td>
<td>86</td>
</tr>
<tr>
<td>ShillingBridge Winery and Microbrewery Contract</td>
<td>91</td>
</tr>
<tr>
<td>Amateur Wine Club</td>
<td>96</td>
</tr>
<tr>
<td>NWGGA Contract – Web Site Update</td>
<td>101</td>
</tr>
<tr>
<td>Wine Quality Assurance Program</td>
<td>106</td>
</tr>
<tr>
<td>Wine Quality Assurance Program Amendment</td>
<td>111</td>
</tr>
<tr>
<td>NWGGA Contract – DMACC Registration Costs</td>
<td>113</td>
</tr>
<tr>
<td>Bylaws</td>
<td></td>
</tr>
<tr>
<td>Bylaws</td>
<td>121</td>
</tr>
<tr>
<td>Statutes</td>
<td></td>
</tr>
<tr>
<td>Nebraska Grape and Winery Board</td>
<td>127</td>
</tr>
<tr>
<td>Nebraska Grape Excise Tax Statutes</td>
<td>130</td>
</tr>
<tr>
<td>Farm Wineries Statutes</td>
<td>132</td>
</tr>
</tbody>
</table>
BOARD
OF
DIRECTORS
Nebraska
Grape and Winery
Board of Directors

Max McFarland (Chair) ................................................................. Winery/Vineyard Owner
43315 Rd 757
Lexington, NE 68850
(308) 324-0440
mcfarlandm@unk.edu

Bart Holmquist (Vice-Chair) .......................................................... Vineyard Owner
1333 Prairie View Rd
Eagle, NE 68347
(402) 310-9338
bart2@windstream.net

Dave Hanna (Secretary/Treasurer) ................................................. Vineyard Owner
75137 Hwy 283
Lexington, NE 68850
(308) 324-6094
dhanna@internet-usa.net

Ellen Burdick .............................................................................. Winery/Vineyard Owner
5052 Rd 197
Lewellen, NE 69147
(308) 778-5543
17ranch@scottsbluff.net

Terry Ryan .................................................................................. Vineyard Owner
#1 El Charman Lake Place
Gibbon, NE  68840
(308) 830-0775
tecryan@rcom-ne.com

Ex-Officio Members
Casey Foster
Nebraska Department of Agriculture, P.O. Box 94947, Lincoln, NE  68509-4947
(402) 471-4876
casey.foster@nebraska.gov

David Jackson
University of Nebraska-Lincoln, 207 Ag Hall, Lincoln, NE  68583-0704
(402) 472-2045
djackson1@unl.edu
OVERVIEW OF ACTIVITIES
EXECUTIVE SUMMARY

The Board of Directors met four times this fiscal year. The year began July 1, 2010, and ended June 30, 2011. Emphasis was placed on supporting marketing and promotional activities and conducting research to assist in the betterment and development of Nebraska’s grape and wine industry.

Legislation approved on May 30, 2007, amended §§53-123.15 and 53-304 of the Nebraska Revised Statutes and repealed the original sections. The act, relating to alcoholic liquor, changed the provisions relating to shippers’ license fees and provided an excise tax on grapes. Within the act, terms were defined, powers and duties were assigned, and a penalty was enacted. Until April 30, 2012, shipping license fees were to be collected by the Nebraska Liquor Control Commission and remitted to the State Treasurer for credit to the Winery and Grape Producers’ Promotional Fund. However, legislation approved on May 18, 2011, amended §53-123.15, which removed the April 30, 2012, sunset date.

Board revenue originates from shipper license fees, crushed grape fees, and grape excise taxes. Revenue from these sources is remitted to the State Treasurer for credit to the Winery and Grape Producers’ Promotional Fund. The Board’s revenue for the 2010 – 2011 fiscal year totaled $166,519.37. The Board’s total available cash amounted to $205,655.28.

The revenue over the past several years has enabled the Board to fund several meaningful projects aimed at enhancing the competitiveness of Nebraska’s grape and wine industry. Priority funding was given to marketing and research projects targeted at increasing the sales and production of Nebraska grapes and/or wines. A total of 13 projects received funding, which totaled $143,120; $124,029.06 of this amount was submitted to the Nebraska Department of Agriculture (NDA) for reimbursement. It is important to note that the Wine Quality Feasibility Study and Wines on the Historic Trails Association projects shown on the 2010 – 2011 fiscal report were expenses incurred during the 2009 – 2010 fiscal year, but paid in 2010 – 2011. For a complete list of all projects, and their respective amounts, please refer to the 2010 – 2011 fiscal report found in this report. Copies of each contract are also included in this report.

The Board also allocated $5,000 to pay the salary of a part-time clerical assistant to assist with Board duties that enhanced the accountability and reporting requirements of Board-funded projects. A University of Nebraska-Lincoln (UNL) graduate student was hired in August 2010 and was under the direction and supervision of NDA. This individual was primarily responsible for collecting and compiling final reports for Board-funded projects dating back to 2006. To see a copy of all contracts and their respective final reports, please contact NDA. The student vacated this position in May 2011. In cooperation with NDA, the Board intends to fill this position by contracting for an individual who will work as an Independent Contractor. The Contractor will be charged
to complete various tasks and the agreement will allow NDA and the Board the ability to request additional related tasks as needed. The Contractor is expected to be hired by January 2012, at which time he/she will enter into a contractual agreement. The contractor’s work will begin as soon as possible, following the selection process.

In April 2011, the Board released an RFP seeking grant proposals from individual growers, farm wineries, organizations, industry groups, or academic institutions that aimed to assist in the betterment of Nebraska’s grape and wine industry. Approximately 17 proposals were received, which were voted upon for funding under the 2011 – 2012 fiscal year. A copy of the RFP is included in this report.

Promotion of Nebraska’s grape and wine industry is a primary goal of the Board. The Board helps the grape and wine industry in becoming a strong and important part of Nebraska’s thriving economy. They stay abreast of recent legislation affecting Nebraska’s grape and wine industry, supports NWGGA activities, and works closely with UNL to receive guidance and education based upon industry research.

This annual report includes the Board’s strategic plan, Board meeting minutes, RFP, 2010 – 2011 fiscal report, contracts, bylaws, statutes, and other documents pertaining to Board matters. Documents and information pertinent to the Board’s functions and history can also be found at http://www.grapeandwineryboard.nebraska.gov.
STRATEGIC PLAN
NEBRASKA GRAPE AND WINERY BOARD
STRATEGIC PLAN

INTRODUCTION

This Strategic Plan represents the vision and direction of the Nebraska Grape and Winery Board (NGWB). This is an adaptive, non-static document subject to change with new and / or additional input. It is not a standalone document. It is designed to work in conjunction with each year’s operational budget and funded projects. The Board believes that strategic planning is not a one-time effort. Once goals are set, commitment will be maintained, progress monitored, and adjustments made until the objectives are reached. This plan demonstrates the commitment which is needed to provide an excellent standard of programs and budget allocations designed to continuously meet the needs of the industry.

MISSION STATEMENT

The NGWB’s mission statement is to work collaboratively towards a profitable, sustainable future that advances the interests of Nebraska’s grape and wine industry through advocacy and education.

The purpose of the NGWB is to further the growth and economic development of the grape-growing and wine-making industry in the state of Nebraska to a maximum level as supported by the favorable soil and climatic conditions existing in Nebraska and to satisfy the market demand for grapes and wine inside and outside of Nebraska. The end objective is to create an economically viable alternative farm crop and wine industry in Nebraska that will enhance the economic condition of the farm industry and the state of Nebraska.

The duties and responsibilities of the NGWB include, but are not limited to, the following:

a. Establish a public forum whereby any producer of wine, grapes, or other wine-producing agricultural products has the opportunity, at least once annually, to discuss with the Board its policy and procedures;

b. Keep minutes of its meetings and other books and records which will clearly reflect all of the acts and transactions of the Board and to make these records available for examination upon request by members of the public;

c. Authorize and approve the Department of Agriculture’s expenditure of funds collected pursuant to section 53-304;
d. Serve as an advisory panel to the Nebraska Liquor Control Commission in all matters pertaining to the wine industry; and

e. Adopt and promulgate rules and regulations to carry out sections 53-301 to 53-305.

BOARD GOALS

Premium Quality Grapes and Wines. Nebraska’s growing conditions vary greatly from the eastern to the western part of the state, and, to a lesser extent, from north to south. In the east, the elevation is less than 1,000 feet above sea level, annual precipitation may exceed 35 inches and winter lows normally do not exceed -15°F. In the western part of Nebraska, elevations exceed 5,200 feet, annual precipitation can be as low as 12 inches and winter lows may reach -30°F. Soil characteristics vary widely across Nebraska’s topography from sandy soils in the west to loess soils in the east.

Despite these climatic and soil extremes, vineyards across the state are producing premium quality grapes. The hardy grape varietals adaptive to Nebraska’s soils produce grapes that make great wines. This enables Nebraska the advantage to produce unique, handcrafted wines that are site-specific and will help capture compelling market attraction.

Targeting Varietals in Which Nebraska Excels. In business, success comes to those who build their reputations on unique products of consistent quality. In the same way, the great wine regions of the world are all associated with particular varieties of wine. Nebraska is no exception and is producing wines that are unlike many others in the world.

Carefully tending to its vineyards and refining its winemaking, the Nebraska wine industry is accomplishing this goal by identifying its strengths and placing its bets on the most popular and successful varieties. These include varieties such as, among the reds, Frontenac, Marechal Foch, and DeChaunac and, among the whites, Brianna, Edelweiss, Lacrosse, and Traminett. The sharing of results and experiences stemming from academic research studies, grape growers, and winemakers, the industry, as a whole, is developing a deeper understanding of the best grown practices and winemaking techniques. This will, in turn, continue the acceleration and demand of Nebraska high-quality wines. By trying new methods, tasting comparable products, and making adjustments, winemakers learn much faster and are able to create a better product than any single winery could do so alone.

Enhancing the Quality of Nebraska Wines. A concerted, focused effort on creating a sustainable grape and wine growing industry in Nebraska is of paramount importance. Quality research and enhancement is one avenue worth pursuing that will help achieve this goal. Measures implemented will be aimed at building a strong, vibrant industry that includes the production of world class wines made from world class grapes. Brand recognition is essential in any consumer business and is a key component within this
Strategic Plan. Nebraska wines would be graded against a rating system that is based on industry standards to identify the best wines in Nebraska. Exceptional wines would create awareness of the quality of Nebraska wines with consumers while promoting the best of the Nebraska wine industry. Enhancing the quality of Nebraska wines would spur investment in new vineyards with high quality wine grapes, encourage consumers to try Nebraska wines, and help consumers develop an appreciation for quality wines that are produced on Nebraska soil.

Plant Research. The University of Nebraska – Lincoln’s (UNL) Viticulture Program is an integral part of this industry’s success. They provide science-based research information that assists in the development of the Nebraska grape and wine industry in a sustainable and profitable manner, thus enhancing the economic viability of Nebraska communities and the state’s vibrant and burgeoning agricultural industry. Research studies address several topics pertaining to grape and wine production in Nebraska.

Education. Promoting the creation and discovery of new production practices will aid in this industry’s success. This goal can be achieved by funding various projects and activities through partnership with UNL’s Viticulture Program and the NWGGA. They include, but are not limited, to attendance at educational conferences, funding research projects, disseminating research findings to the public, supporting and partially funding grower field days and conferences, soliciting and funding proposals to enable industry partners to enhance programs and the industry, and serving as an active partner in the Grape and Wine Consortium, which works to develop and organize the annual Nebraska Winery and Grape Growers Forum and Tradeshow.

Encouraging Wine Tourism. Wine is identified with its origins and region. Wine tourism creates lasting memories, customer loyalty, and lifetime fans. These benefits aid in the rapid growth of this industry, making it easy for consumers to access and explore this industry from any of Nebraska’s major state highways.

Increasing the Marketability, Awareness and Accessibility of Nebraska Grapes and Wines. Nebraska wineries can encounter major challenges in terms of distribution and sales. A substantial amount of wine sales are made at the wineries, but there are a growing number of grocery stores and specialty shops that carry Nebraska wines. These stores serve as alternate sales outlets for many wineries, promoting the quality and value of the state’s wine.

The main strategic focus of grape and wine activities will be on enhancing the image of Nebraska wines through praise and acceptance. Developing brand recognition is essential in any consumer business and is also a key component within this Strategic Plan. The wine industry will continue its aggressive participation in key marketing and advertising campaigns. A strong presence domestically is key to becoming a larger global competitor.

Promotion of Nebraska’s grape and wine industry is a primary goal of the Board. The Board helps the grape and wine industry become a strong and important part of
Nebraska’s thriving economy. They stay abreast of recent legislation affecting Nebraska’s grape and wine industry, supports Nebraska Winery and Grape Growers’ Association (NWGGA) activities, and works closely with UNL to receive guidance and education based upon industry research.

Increasing the awareness and functionality of the Board is also a goal the Board hopes to achieve. Development of a NGWB web site would help accomplish this goal. This would enable the Board to establish an Internet presence, increase public awareness of Nebraska’s burgeoning grape and wine industry, describe the composition of the Board and its responsibilities, and strengthen Nebraska’s grape and wine industry by providing information relevant to the industry. It will enable the Board to further the growth and economic development of the grape-growing and wine-making industry in the state of Nebraska to a maximum level as supported by the favorable soil and climatic conditions existing in Nebraska and to satisfy the market demand for grapes and wine inside and outside of Nebraska. However, in order to establish a web domain and create this web site, the Board is jointly working with the Nebraska Department of Agriculture (NDA) to obtain bids from potential subcontractors who would be able to create this web site and the cost needed to complete this task.

Creating Partnerships Within the Industry. Today, global success is won, not by firms acting alone, but by partnerships that promote joint planning, information sharing, open communication, and cooperation. A central challenge for the Nebraska wine industry is to continue cooperation and financial support to the NWGGA and UNL’s Viticulture Program, which have both been strong pillars of strength for Nebraska’s grape and wine industry. These partnerships entail balancing individual mandates with the opportunities for promotion and research.

Wineries and growers work together to ensure there are reliable supplies of premium grapes of the right varieties. The involves joint decision-making regarding planting and vineyard management as well as multi-year contracts, the sharing of risks, rewards, and access to capital. Distribution of quality wines is an important challenge and one that needs to be embraced, collectively, by all wineries and growers. This includes finding greater opportunities in marketing and research that will benefit both wineries and growers, big and small.

Maintaining Financial Viability and Revenue of the Grape and Winery Board.
Crushed juice fees, grape excise taxes, and shipper license fees are the three primary sources from which the Board obtains its revenue.

Each Nebraska winery pays the Nebraska Liquor Control Commission twenty dollars for every one hundred sixty gallons of juice produced or received by its facility. Gifts, grants, or bequests may be received for the support of the Nebraska Grape and Winery board. Funds paid pursuant to the charge imposed by section 53-304 and funds received pursuant to subsection (4) of section 53-123.15 and from gifts, grants, or bequests is remitted to the State Treasurer for credit to the Winery and Grape Producers’ Promotional Fund. For administrative purposes, the fund is located in NDA.
All revenue credited to the fund pursuant to the charge imposed by this section and excise taxes collected pursuant to section 2-5603 and any funds received as gifts, grants, or bequests and credited to the fund is used by NDA, at the direction of and in cooperation with the Board, to develop and maintain programs for the research and advancement of the growing, selling, marketing, and promotion of grapes, fruits, berries, honey, and other agricultural products and their byproducts grown and produced in Nebraska for use in the wine industry. Such expenditures may include, but are not limited to, all necessary funding for the employment of experts in the fields of viticulture and enology, as deemed necessary by the Board, and programs aimed at improving the promotion of all varieties of wines, grapes, fruits, berries, honey, and other agricultural products and their byproducts grown and produced in Nebraska for use in the wine industry.

Funds credited to the fund shall be used for no other purposes than those stated in this section and any transfers authorized pursuant to section 2-5604. Any funds not expended during a fiscal year may be maintained in the fund for distribution or expenditure during subsequent fiscal years. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Legislation approved on May 30, 2007, amended sections 53-123.15 and 53-304 of the Nebraska Revised Statutes and repealed the original sections. The act, relating to alcoholic liquor, changed the provisions relating to shippers' license fees and provided an excise tax on grapes. Within the act, terms were defined, powers and duties were assigned, and a penalty was enacted. Until April 30, 2012, shipping license fees were to be collected by the Nebraska Liquor Control Commission and remitted to the State Treasurer for credit to the Winery and Grape Producers' Promotional Fund. However, legislation approved on May 18, 2011, amended §53-123.15, which removed the April 30, 2012, sunset date. Additionally, an excise tax of one cent per pound is levied upon all grapes sold through commercial channels in Nebraska or delivered in Nebraska. Excise taxes are also remitted to the State Treasurer for credit to the Winery and Grape Producers' Promotional Fund. The license fees and excise taxes resulted in a substantial increase in Board revenue.

The Board believes it is imperative to fund any additional projects that would be feasible to help further promote and expand Nebraska's burgeoning grape and wine industry. The Board sends out news releases seeking grant proposals from individual growers, farm wineries, organizations, industry groups or academic institutions that aim to assist in the betterment of Nebraska's grape and wine industry. Interested parties wishing to receive funds are required to submit detailed proposals to the Board. The proposals are to clearly explain how the money is to be used and how it would enhance the competitiveness of the state's grape and wine industry. The Board has developed a grant proposal process in order to provide all interested parties with an opportunity to access these funds. Grant proposal guidelines and application information is made available to the public and is available on UNL's Viticulture Program web site. Information can also be obtained by contacting NDA or the Board Chair. Distribution of
the Request for Proposal (RFP) solicits several proposals. Priority funding is given to marketing and research projects targeted at increasing the sale and production of Nebraska grapes and/or wines. Collecting and compiling final reports in a timely manner from Board-funded projects, and evaluating the efficacy of the reports as to how they relate to the Strategic Plan is of paramount importance to the Board.

The responsibilities of the Board have increased largely due in part to the number of projects funded each year. In an effort to enhance the accountability and reporting requirements of Board-funded projects, the Board allocates money to pay the salary of a part-time clerical assistant to assist with Board duties. The Board asks NDA find an individual to fill this position each year. This individual is under the direction of the NDA.

Each year, the Board publishes an annual report, which is available to the public, free of charge. The report primarily includes meeting minutes, news releases, RFP application instructions, annual fiscal report, contracts, bylaws, and statutes.

**STRATEGIES TO REACH EACH GOAL AND ACTION PLANS TO IMPLEMENT EACH STRATEGY**

**Premium Quality Grapes and Wines**

Strategy 1.1 Produce unique, handcrafted wines that are site-specific and will capture compelling market attraction.

- a. Determine hardy grape varietals adaptive to Nebraska’s soils and climate extremes;
- b. Survey growers and winemakers to determine which varieties appear to be most profitable and successful;
- c. Identify cost-effective strategies to improve the value / benefits of Nebraska grapes and wines;
- d. Utilize research from UNL’s Viticulture Program, grape growers, winemakers, to acquire knowledge of the best grown practices and winemaking techniques; and
- e. Attend seminars and workshops to improve variety selection, growing techniques, and management practices.

**Targeting Varietals in Which Nebraska Excels**

Strategy 2.1 Maintain and increase the reputation of Nebraska’s unique specific wine varieties.

- a. Identify all of the wine varieties in Nebraska;
b. Determine the most popular and successful red and white varieties through periodic surveys; and

c. Share results and experiences stemming from academic research studies, grape growers, and winemakers.

Strategy 2.2 Continue the acceleration and demand of Nebraska high-quality wines.

a. Work in close cooperation with UNL’s Viticulture Program, grape growers, winemakers, and other industry experts to develop a deeper understanding of the best grown practices and winemaking techniques;

b. Try new methods;

c. Taste comparable products;

d. Make adjustments; and

e. Share experiences.

**Enhancing the Quality of Nebraska Wines**

Strategy 3.1 Quality research and enhancement of Nebraska grapes and wines.

a. Implement measures aimed at building a strong, vibrant industry that includes the production of world class wines made from world class grapes;

b. Develop a rating system based on industry standards to identify the best wines in Nebraska; and

c. Identify exceptional wines to create awareness of the quality of Nebraska wines with consumers while promoting the best of the Nebraska wine industry.

**Plant Research**

Strategy 4.1 Provide science-based research information that assists in the development of the Nebraska grape and wine industry in a sustainable and profitable manner, thus enhancing the economic viability of Nebraska communities and the state’s vibrant and burgeoning agricultural industry. Research studies are broad in scope.

a. Cultivar and new genotype evaluation;

b. Multi-state projects evaluating performance of common sets of grape cultivars in multiple locations;

c. Studies of trellis construction systems and new cultivar performance;
d. Evaluation of cold-hardiness, spring bud-break, and cold temperature damage prevention and management;

e. Potential efficacy of chemical and physical treatments on seedless table grape vines to delay spring bud break;

f. Planting of seedless table grapes to determine the potential efficacy of chemical and physical treatments to delay bud-break;

g. Investigation of high pH-induced chlorosis problems;

h. Development of the internet-based pesticide sensitive crop locator web site;

i. Disease and insect management, trunk studies; and

j. Sustainable and potentially organic grape production projects.

**Education**

Strategy 5.1 Promote the creation and discovery of new production practices by funding various projects and activities through partnership with UNL’s Viticulture Program and the NWGGA.

a. Attend educational conferences;

b. Fund research projects;

c. Disseminate research findings to the public;

d. Support and partially fund grower field days and conferences;

e. Solicit and fund proposals to enable industry partners to enhance programs and the industry; and

f. Continue as an active partner in the Grape and Wine Consortium, which works to develop and organize the annual Nebraska Winery and Grape Growers Forum and Tradeshow.

**Encouraging Wine Tourism**

Strategy 6.1 Create lasting memories, customer loyalty, and lifetime fans via wine tourism.

a. Develop distinct wine and culinary tourism strategies for Nebraska;
b. Develop a system to ascertain which wine experiences consumers find most positive, and then build on that knowledge to ensure visitors have consistently good experiences;

c. Base wine tourism on current products and experiences; and

d. Encourage clustered tourism developments by working with the Nebraska Department of Travel and Tourism and the NWGGA.

Increasing the Marketability, Awareness and Accessibility of Nebraska Grapes and Wines
Strategy 7.1 Aggressive, coordinated action to improve the distribution of Nebraska wines.

a. Cooperation with the NWGGA to conduct intensive marketing strategies to promote the quality and value of Nebraska wines;

b. Promote quality wines in retail stores and create promotional literature to make Nebraska wineries as a “destination experience” to ensure that these wines are positioned to target key customers;

c. Make creative uses of stores carrying Nebraska wines with enhanced layouts, promotional materials, wine and food displays, and tastings (where allowed); and

d. Develop strategies to take advantage of new opportunities via e-commerce, within a framework of social responsibility.

Strategy 7.2 Enhance the image of Nebraska wines through praise and acceptance and develop a strong presence, domestically, to become a larger global competitor.

a. Develop brand recognition for Nebraska wines;

b. Aggressive participation in key marketing and advertising campaigns; and

c. Serve as an advocate for the industry.

Strategy 7.3 Stay abreast of recent legislation and recent developments affecting Nebraska’s grape and wine industry.

a. Maintain, increase and improve relationships with local, state, and federal lawmakers; and

b. Support NWGGA activities, and work closely with UNL’s Viticulture Program to receive guidance and education based upon industry research.
Strategy 7.4 Increase the awareness and function of the NGWB.

a. Develop a Request for Proposal (RFP) process to find at least three subcontractors who could develop a NGWB web site;

b. Establish evaluation criteria for which bids will be competitively ranked and scored;

c. Select a subcontractor to create the web site; and

d. Determine how the web site will be updated and maintained.

Creating Partnerships Within the Industry
Strategy 8.1 Maintain and increase NGWB agricultural partnerships.

a. Define industry needs and develop cost-effect strategies to improve value/benefits across all members;

b. Survey, evaluate, and develop a database of Nebraska grape growers and wineries;

c. Establish, maintain and update a list recording the total grape acreage and number of vines (variety specific) planted in Nebraska; and

d. Engage into close working relationships with UNL, NWGGA, NDA, and other entities or organizations that impact Nebraska’s agricultural industry, (grape and wine industry, in particular).

Maintaining Financial Viability and Revenue of the Grape and Winery Board
Strategy 9.1 Investigate and implement programs utilizing diversified funding sources that continue to build and grow Nebraska’s grape and wine industry.

a. Develop a financial plan;

b. Formalize, enhance, and evaluate Board-funded projects from one year to the next;

c. Review income performance on a monthly basis and develop a strategy to enhance financial relationships and secure Board revenue;

d. Review existing financial processes and identify new and improved approaches to identify and explore cost savings;

e. Prepare and position NGWB to fund ideas towards new research and different marketing strategies that will benefit the entire grape and wine industry, in general, and not a particular business venture;
f. Expend at least 75 percent of NGWB annual revenue on meaningful projects aimed at improving grape and wine research and promoting the entire industry;

g. Collect and compile final reports in a timely manner from Board-funded projects;

h. Evaluate the efficacy of final reports as to how they relate to the Strategic Plan; and

i. Ensure sufficient revenue is available to address future needs.

Strategy 9.2 Make and publish an annual report on or before January 1 of each year, which set forth, in detail, several items.

a. The name and address of each Board member and a copy of all rules and regulations adopted and promulgated by the Board;

b. A detailed explanation of all programs for which the Board approved funding that fiscal year, pursuant to section 53-304, for the research, discovery, promotion, and development of programs for the growing, production and marketing of Nebraska wines, grapes, fruits, berries, honey, and other agricultural products and their byproducts grown and produced in Nebraska for use in the wine industry; and

c. Present the report to the Nebraska Liquor Control Commission within 30 days after its publication and made available also to any persons who request a copy.

Strategy 9.3 Develop a culture of continuous improvement.

a. Engage the Board to develop and annually review and renew the Strategic Plan every three years;

b. Gain industry feedback and advice and identify areas for constructive improvement; and

c. Analyze other state-based farmer organizations and non-profit membership associations.
MONITOR AND UPDATE THE PLAN

This strategic framework is a plan of optimism and opportunity for all stakeholders in the industry, and is grounded in the realities facing the industry today. It identifies how the grape and wine industry can maximize long-term profitable growth in the industry, reinvent consumer’s total experience with Nebraska wines, and increase tourism. The success of this plan hinges on industry partners embracing and sharing this vision and transforming the above strategies into key deliverables.

Consequently, each participant in the vision must assume responsibility, which includes assigning the resources needed to fulfill the promise that is shared by this Board. Nebraska wines are a source of passion and pride, and perhaps the most important indicator of success is positive feedback from grape growers, wineries, scientists, and wine enthusiasts. Positive feedback from consumers and the growing reputation of Nebraska wines is sure to soar the industry to new heights.

This strategic frameworks provides the foundation stones for achieving long-term profitable growth. This document is subject to change with new and/or additional input. Commitment will be maintained, progress will be monitored, and adjustments will be made until the objectives are reached.

THE BOARD’S COMMITMENT

The appointed leaders of the NGWB agree to the above stated principles and actions to accomplish the objective of keeping the industry strong, vibrant, and productive. The Board accepts these responsibilities and roles of proactive leaders with a common goal and vision to secure the future of the Board. All five Board members and the two ex-officio members have a copy of this plan. Copies are also available to industry stakeholders, upon request.

CONCLUSION

The grape and wine industry in Nebraska is poised for greatness. The destination is clear. People at every level in the industry – growers, winemakers, academia, government, distributors, and marketers have assembled together ready to adapt this focused plan with the concerted, cooperative action needed to win a prosperous future for Nebraska wines.
REQUEST FOR PROPOSALS
NEWS RELEASE
For Immediate Release

April 1, 2011

Contact: Casey Foster: 800-422-6692
Lee Grossman: 800-422-6692

* * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * *

NEBRASKA GRAPE AND WINERY BOARD SEEKS GRANT PROPOSALS

April 1, 2011 - The Nebraska Grape and Winery Board is seeking grant proposals from individual growers, farm wineries, organizations, industry groups, or academic institutions that aim to assist in the betterment of Nebraska’s grape and wine industry. The Board’s goal is to fund meaningful projects that have the highest likelihood of significant, positive impact on grape and wine production in Nebraska.

Grant proposals will be considered on a competitive basis. Interested parties wishing to receive funds must submit a detailed proposal for review and approval by the Nebraska Grape and Winery Board. Proposals must clearly explain how the money will be used and how it will enhance the competitiveness of Nebraska’s grape and wine industry. The Board anticipates funding proposals during the upcoming fiscal year (July 1, 2011 – June 30, 2012). Funding for projects will be subject to the availability of funds. Applications must be submitted electronically or by U.S. mail to Lee Grossman, Nebraska Department of Agriculture, PO Box 94947, Lincoln, Nebraska, 68509. The e-mail address is leland.grossman@nebraska.gov. Applications must be postmarked on or before Friday, May 15, 2011.

Eligible projects must enhance the competitiveness of Nebraska’s grapes and wines and may focus on research, promotion, marketing, trade enhancement, education, “buy local” programs, improved efficiency and reduced costs of distribution systems, product development, developing cooperatives, and other opportunities. Proposals should be initiated by individual growers, farm wineries, organizations, industry groups or academic institutions, or should involve collaboration or partnerships between producers, industry groups, academics, or other organizations. Grant proposals must show how the project will benefit the entire grape and wine industry, and not a particular business venture. Any and all outcomes and records, resulting from a funded project, must be available for examination upon request by members of the public. Two – five year project proposals will be considered, subject to annual review and re-authorization.
Grant proposal guidelines and application information can be found at http://www.grapeandwineryboard.nebraska.gov/grant_information.html or by contacting the Nebraska Department of Agriculture at 800-422-6692. For more information, contact Casey Foster or Lee Grossman at 800-422-6692.

# # #
Nebraska Grape and Winery Board
Request for Proposal Application Instructions
2011 – 2012 Fiscal Year

Applications Due: **FRIDAY, May 15, 2011**
Applications must be sent or postmarked on or before the above date.

Submit applications electronically or by U.S. mail to:

Lee Grossman, Board Staff Assistant
Nebraska Department of Agriculture
P.O. Box 94947
Lincoln, NE 68509-4947
leland.grossman@nebraska.gov

Questions regarding this grant should be directed to the Nebraska Department of Agriculture at 800-422-6692 or leland.grossman@nebraska.gov.

RFP2011-2012Instructions_122210.doc
Introduction

The Nebraska Grape and Winery Board was created to (a) establish a public forum whereby any producer of wine, grapes, or other wine-producing agricultural products has the opportunity, at least once annually, to discuss with the Board its policy and procedures; (b) keep minutes of its meetings and other books and records which clearly reflect all of the acts and transactions of the Board and to make these records available for examination upon request by members of the public; (c) authorize and approve the Department of Agriculture’s expenditure of funds collected pursuant to §53-304; (d) serve as an advisory panel to the Nebraska Liquor Control Commission in all matters pertaining to the wine industry; and (e) adopt and promulgate rules and regulations to carry out §§53-30 to 53-305 of the Nebraska Grape and Winery Board Statute.

The Nebraska Grape and Winery Board’s revenue originates from a variety of different sources, which primarily include shipper license fees, grape excise taxes, and crushed grape fees. The Nebraska Grape and Winery Board has the power to utilize their revenue to fund projects that are designed to improve and promote Nebraska’s grape and wine industry. The Board is seeking to fund proposals that will aid in the betterment of Nebraska’s grape and wine industry.

Interested parties wishing to receive funds must submit a detailed proposal for review and approval by the Nebraska Grape and Winery Board. Proposals must clearly explain how the money will be used, and how it will enhance the competitiveness of Nebraska’s grape and wine industry. This RFP is for the next fiscal year, July 1, 2011, to June 30, 2012. All projects approved must be completed by the end of the next fiscal year.

The Board has developed this grant proposal process in order to provide all interested parties an opportunity to access these funds. The Board’s goal is to fund meaningful projects that will have the highest likelihood of significant, positive impact on the grape and wine production in Nebraska.

Funding Cap

The maximum grant award will be $50,000. The Board reserves the right to consider larger requests for projects with exceptional merit.

Grant Eligibility

Proposals should be initiated by individual growers, farm wineries, organizations, industry groups or academic institutions, or should involve collaboration or partnerships between producers, industry groups, academics, or other organizations. Projects must benefit the entire grape and/or wine industry and not a particular business venture. Applicants may cooperate with any public or private organization involving agricultural development, research, and/or marketing to enhance Nebraska’s grape and wine industry. If two or more individuals or organizations propose a joint project, they
may submit one application as co-applicants. Applicants proposing joint projects are not required to form a legal entity but must show in their application how the project potentially impacts and produces measurable outcomes for the grape and wine industry and/or the public. **Any and all outcomes and records, resulting from a funded project, must be available for examination upon request by members of the public.** Two five-year project proposals will be considered, subject to annual review and re-authorization.

Examples of enhancing the competitiveness of Nebraska’s grapes and wines include, but are not limited to: research, promotion, marketing, nutrition, trade enhancement, food safety, food security, education, “buy local” programs, increased consumption, increased innovation, environmental and conservation concerns, improved efficiency and reduced costs of distribution systems, product development, and developing cooperatives.

**Program Policies**

The Nebraska Grape and Winery Board reserves the right to:
- Reject any or all proposals received;
- Request additional information on project proposals;
- Recommend partial funding for a proposal that may be less than the full amount requested in the grant application;
- Tie the release of project funds to completion of necessary, timely progress reports.

**Funding Allocation**

Projects funded during this next fiscal year will be valid upon the respective party’s signature to an agreement with the Nebraska Department of Agriculture and the party incurring an obligation of funds for the project on or after July 1, 2011, and prior to June 30, 2012. Invoices shall be presented to the Department of Agriculture from which payment shall be made. A final report of the project will be provided to the Board and the Department of Agriculture. There will be no funding match requirement of applicants, although priority will be given to those projects that show in-kind and additional cash commitment to supplement the funding request. **Please note that funding for projects are subject to legislative appropriations and funding being available.**

**Proposals will NOT fund the following expenses:**

- Paying off existing debt;
- Purchase of equipment, land, or buildings;
- Business entertainment or business gifts; and
- Lobbying or political efforts
Grant Proposal Review and Selection

Grant applications will be reviewed and decided upon by the Nebraska Grape and Winery Board with input from relative entities. The Nebraska Grape and Winery Board will make the final decision.

Questions and Scoring Criteria

There will be 100 points possible, which is outlined below.

Application Instructions

All applications should include the information listed on pages 4 through 6.

A. Cover Page

1. Name of applicant whose name should be used on all correspondence. Include contact information (address, phone, e-mail, and, if available, fax) for one individual. This person should also be the one who will appear on a grant agreement and who will be responsible for tracking and accounting for project funds and ensuring the completion of the project.

2. Abstract of 200 words or less for the proposed project.

3. Listing of all other individuals, entities, organizations, or businesses involved with the project.

B. Project Purpose (5 points)

In one or two paragraphs, clearly state the specific issue, problem, interest, or need to be addressed. Explain why your project is important and timely. Indicate the amount of time needed to complete the project. The project must benefit the entire grape and/or wine industry and not a particular business venture.

C. Potential Impact (10 points)

In one page or less, discuss the number of people or operations affected, the intended beneficiaries of the project, and/or potential economic impact, if data from the project are available.

D. Goals (5 points)

Describe the overall goal(s) of the project in one or two sentences.
E. Work Plan (45 points)

On three pages or less, describe your proposal and its expected benefit to the Nebraska grape and wine industry. Explain how each goal and measurable outcome will be accomplished. The measurable outcomes must list the elements that will be monitored or evaluated, by whom, how often and for how long. Expected measurable outcomes may be long term and exceed the grant period. If so, provide a time frame when long-term outcome measures will be achieved.

The major considerations here are:

- Does the project benefit the entire grape and/or wine industry and not a particular business venture?
- Can project benefits be measured, reported, and tracked over time?
- Does the project provide an overall economic benefit to Nebraska’s grape and wine industry?
- Does the project make good business sense, and does it have a high likelihood of success?
- Are the expected benefits of the proposal commensurate with total investment?

Other considerations will be given to:

- Does the project contribute to a positive image of Nebraska grape and wine products?
- Does the project provide educational benefits to the public about Nebraska grape and wine products?

F. Project Commitment (10 points)

On one page or less, describe the partnerships, alliances, networks, or other collaborative efforts that will be created to implement this project. List all parties involved and describe what each contributes in skills and abilities to make this proposal succeed and work toward the goals and outcomes, as well as the commitments for each party (in-kind, monetary, labor, etc.).

Major consideration will be given to whether:

- The project involves collaboration and enables the grape and wine industry to achieve collective results that benefits the entire industry, not a particular business venture;
- The applicant demonstrates commitment by way of in-kind time, resources, or other means.
G. Financial Feasibility (25 points)

This question requires a one page or less narrative and a one page or less standard budget outline. How do you intend to use the grant funds? Provide a breakdown of the components of the proposal and where the grant funds fit into the overall project financing. Prioritize funding needs, if possible. Provide budget estimates for the total project cost. List the source and amount of funds to use for the project. This information will provide assurance that you will have sufficient resources to meet project goals. Page 6 provides a budget example from which to refer to and use when creating your budget.

Major consideration will be given to whether:

- The project makes good business sense according to the proposed expenses and activities noted in the budget;
- The budget supports the anticipated benefits and whether the benefits are commensurate with the total project financing;
- The project coordinating entity has a process in place to track and account for grant fund expenditures; can accounting and project records be readily retrieved and reported?
- Budget line item expenses could include costs associated with personnel, travel, equipment, supplies, and/or contracted work.

Budget Example

<table>
<thead>
<tr>
<th>Type</th>
<th>Nebraska Grape and Winery Board Funds</th>
<th>Applicant Contributions (In-Kind or Cash)</th>
<th>Total</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$1,000</td>
<td>$500</td>
<td>$1,500</td>
<td>75 hours @ $20 per hour by whom</td>
</tr>
<tr>
<td>Supplies</td>
<td>$700</td>
<td>0</td>
<td>$700</td>
<td>What and by whom</td>
</tr>
<tr>
<td>Travel</td>
<td>$284</td>
<td>0</td>
<td>$284</td>
<td>200 miles @ $0.51/mile and 7 days at $26/day for meals</td>
</tr>
<tr>
<td>Consultant</td>
<td>$2,000</td>
<td>$1,000</td>
<td>$3,000</td>
<td>Consultant fee</td>
</tr>
<tr>
<td>Totals</td>
<td>$3,984</td>
<td>$1,500</td>
<td>$5,484</td>
<td></td>
</tr>
</tbody>
</table>
H. Signed Agreements Page

Agreement:

I/we the undersigned applicants (name/names)

___________________________________ of (city)________________________, Nebraska, hereby make an application for Nebraska Grape and Winery Board funds, under the terms and conditions of the Nebraska Department of Agriculture, in the amount of (amount requested) $_______________________. The total cost of the project is (total project amount) $_______________________.

The undersigned hereby warrant to the Nebraska Grape and Winery Board that, to the best of my/our knowledge, all information presented in this grant application is factual and true; that I/we understand that if this proposal is funded, I/we will be required to sign a grant agreement and other necessary documentation containing terms and conditions upon which funds will be released; and that I/we understand that I/we will be required to submit a final report at the completion of the project as a condition to participating in this grant program.

Social Security Number or Federal Tax ID Number of Applicant:______________________
Name of Applicant:_____________________________________________________________

Signed:________________________
Date:________________
Title:________________________

Signed:________________________
Date:________________
Title:________________________

Signed:________________________
Date:________________
Title:________________________

S:\AGD_WP\casey\Winery Board\RFP2011-2012Instructions_122210.doc
Grape Growers of Nebraska:

Attached you will find the 2011 Grape Growers Survey. This survey is sponsored by the Nebraska Grape & Winery Board in cooperation with the Nebraska Department of Agriculture and the Nebraska Winery and Grape Growers Association. Current and accurate numbers are essential to be able to track the trends and growth of our industry. This information is collected approximately every two years and are used to update the state’s strategic planning, to provide to the state Legislature to assist in their decision making process, and to identify potential needs of our industry. Only group data will be reported. By completing and returning this survey, you will help ensure that this information will be highly accurate and most useful to support our industry. Thank you for your cooperation.

PLEASE RETURN YOUR COMPLETED SURVEY IN THE ENCLOSED ENVELOPE BY May 1, 2011.

Nebraska Grape & Winery Board
NEBRASKA GRAPE AND WINERY BOARD
GROWERS SURVEY – 2011

(Return completed survey BY MAY 1, 2011 using the enclosed envelope)

Name: _________________________________
Last ________________________________ First _____________________________

Address: _________________________________
City __________________ State ______ Zip Code __________

Vineyard Location: ____________________________________________________________________________________

County: ________________________________

Phone: (___) _________________________ E-mail address: ________________________________

Approximate Acres of Grapes: ______________

Nebraska Winery & Grape Growers Association Member: Yes (   ) No (   )

(   ) I intend on using the grapes personally (e.g., home wine making, juice, jellies, pies, farmers’ market)

(   ) I am currently contracted with a winery for the purchase of my grapes: In-State (   ) Out of State (   )
Type of Contract: Verbal (   ) Written (   )
Length of Contract: 1 year (   ) 3 years (   ) 5 years (   ) Other (   ) (describe)

(   ) I will be looking for a buyer of my grapes for the 2011 production

If not under contract, it is okay to share this information with a Nebraska winery, if they ask: Yes (   ) No (   )
(In this table, report all vines planted)

<table>
<thead>
<tr>
<th>Red Variety</th>
<th>Total Number of Plants</th>
<th>Number of Plants Harvested</th>
<th>Pounds Harvested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frontenac</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marachal Foch</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trollhaugen</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valiant</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catawba</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chambourcin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chancellor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concord</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DeChaunac</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leon Millot</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marquette</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Norton</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petite Jewel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saint Croix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>White Variety</th>
<th>Total Number of Plants</th>
<th>Number of Plants Harvested</th>
<th>Pounds Harvested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brianna</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chardonel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Delaware</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edelweiss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frontenac Gris</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LaCrescent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lacrosse</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Niagara</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petite Amie</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prairie Star</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reisling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saint Pepin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seyval</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traminette</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vidal Blanc</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vignoles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table Grapes</th>
<th>Total Number of Plants</th>
<th>Number of Plants Harvested</th>
<th>Pounds Harvested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concord Seedless</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Himrod</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marquis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mars</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reliance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Swenson Red</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional Plantings Planned for 2011 Include:

<table>
<thead>
<tr>
<th>Number of Plants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

- 30 -
Nebraska Grape and Winery Board Meeting Minutes
Holiday Inn
110 2nd Avenue
Kearney, NE 68845
August 20, 2010

Board Members Present: Ellen Burdick, President
Max McFarland, Vice-President
Dave Hanna

Ex-Officio Members Present: Casey Foster, Department of Agriculture

Board Staff Assistant Present: Lee Grossman

Guests Present: Tom Zumpfe, NWGGA President
Jason Hayes, NWGGA Executive Director
Steve Gamet, University of Nebraska – Lincoln

President Ellen Burdick moved to open the meeting at 1:10 p.m. It was moved and seconded by Max and Dave, respectively, that the agenda be accepted. The motion passed unanimously.

Ellen opened discussion regarding approval of minutes, as written. Dave voiced concern that the amount stated in the Wine Quality Assurance Feasibility Study Update should read “up to $10,000” rather than the current figure of $7,780, as the board approved the aforementioned figure. Tom raised concern over the following sentence under the NWGGA Update that read: “Tom requested that board RFP grant notices be coordinated so that they are published at least six months prior to the grant submission due date.” It was proposed that this sentence should be struck from the minutes. Max motioned that the minutes be approved as amended, which was seconded by Dave. The motion passed unanimously.

Notice of this meeting was published in the August 6, 2010, edition of the Omaha World Herald.

Old Business
- NWGGA Update
  Jason Hayes introduced himself to the board as the new NWGGA Executive Director and went on to provide an update of NWGGA projects. Jason presented the board with an electronic copy of the pamphlets developed for the Nebraska Wine Trails. Jason advised the board that most of the grant money for this project has been used for this purpose. In discussing the Nebraska Passport Program, it was thought that this program has been a success in encouraging
visits to multiple wineries. The winery bucks seem to be a great incentive for participation and there was a brief discussion regarding how to streamline the use of the winery bucks. A discussion then ensued as to how to encourage more participants in the passport program to visiting a more diverse geographic area of wineries across the state.

Jason informed the board that $6,130 of the potential $7,000 has been used toward updating the NWGGA website. A discussion then began as to how to further improve the NWGGA website. Dave then put forth suggestions for doing so, which included updating the additional links page, inclusion of information on the NWGGA Board Members, and updating the membership application form. These concerns were noted by Tom and Jason, who responded that they would meet with their designer to address these updates. Jason also informed the board that they are looking to begin a function where membership applications and conference registration forms can be submitted online. Similarly, the NWGGA is in discussions with Pinnacle Bank to provide a method of paying online for membership and conference dues.

A final report for Grant #18-13-110 was presented by Jason, which detailed the impact of the educational books purchased with these funds. A total of 120 VINEBALANCE books were purchased with these funds and approximately 25 percent of growers in Nebraska have purchased this book. A discussion ensued as to how to further promote the use of these books, which focused on forming a group based on these books and recognizing growers who have used this text for an extended period of time.

Jason presented a final report for Grant # 18-13-109, which documented the success of the grower field days held in Ravenna on May 22 and Lewellen and Lincoln on June 12. It was estimated that approximately 60 growers participated and that the information VINEBALANCE contained within the Grower Self-Assessment workbooks were discussed at each session.

- UNL Viticulture Program Update
  Steve presented a written report providing an update of the expansion efforts of the UNL Viticulture Program during the 2009-10 fiscal year. The report documented visits by Steve and Dr. Paul Reed to 40 wineries and vineyards. Steve mentioned that they saw a variety of areas across the state and documented the conditions of these wineries and vineyards.

  Additional brief updates were also given on other projects funded by the board. More information will be forthcoming concerning the Panhandle Research and Extension Center in Scottsbluff. The UNL Viticulture Program has planted several varieties for their new cultivar trials. As these plants continue to mature, a more detailed update will become available. Funding for netting and chemicals ensured that their research vineyards were able to be fully netted and plenty of needed chemicals were also purchased. The UNL Viticulture Program was able
to carry over plenty of supplies from the past fiscal year. Steve thanked the board for the large grant supporting the Vineyard Technician’s salary. Steve was not aware of any financial carry over from the past fiscal year. A lengthy conversation then took place regarding the success and improvement points of the Nebraska Grape and Winery Forum and Trade Show. It was noted that the food and entertainment was of a high quality and that many individuals present heard great reviews of the wine tastings.

- **Wine Quality Assurance Program Feasibility Study Update**
  Ellen reported that Steve Menke has concluded his study and that copies of his report can be obtained from Colorado State University. The report gave generally positive reviews of tasting rooms and winery facilities. In addition, there is a discussion of the quality of wines found in the state and a breakdown of faults found with the visited wineries. A significant conclusion of the report was that many people seem to want an in-state wine competition. There was a brief discussion regarding the ultimate goal of this study, which concluded that it is the board’s intent to fund to fruition. No motion was brought forth concerning this matter and it was thought that a proposal would be procured and brought to the board. Max put forth a motion to invite the NWGGA and NGWB to designate a person to begin developing a Wine Quality Assessment Strategic Plan, which was seconded by Dave. The motion passed unanimously. It was noted that such a plan would provide needed accountability of how the funds were spent by the board and to what end.

- **Wine Trail Updates**
  Ellen noted an article recently published in the *Star Herald*, which referenced the Historic Wine Trail. While there is a delay with the development of the website, involvement in this program is high among visitors to the wineries. A subsequent discussion then took place concerning the need to include a requirement for geographic diversity in the NWGGA’s Passport Program, which would include a visit to wineries on each wine trail.

- **2009-2010 Fiscal Year in Review**
  Casey provided an overview of the 2009-2010 fiscal year, which saw the total revenue of the board increase to $162,220.35. Over $196,000 was used to fund projects that aimed to assist in the betterment of Nebraska’s grape and wine industry. The board issued six grants totaling $79,164.21 to the NWGGA and seven grants to UNL totaling $79,844.43. The board’s ending cash balance was in the amount of $39,135.91, which carried over into the 2010-11 fiscal year. Dave motioned to approve, which was seconded by Max. The motion passed unanimously.

- **Web Site Functionality**
  Casey presented the board’s website for review. It was suggested to include a header titled, “Wine Quality Assurance Strategic Plan.” This page should include
Dr. Menke’s PowerPoint presentation and report, as well as his contact information.

- **Strategic Plan Update**
  Ellen opened this discussion by recommending that everyone read through the board’s strategic plan for further improvement. One suggestion put forth was to eliminate the specificity of the bottom paragraph of page five. This change, as well as a few other grammatical changes were suggested. They will be acted upon at the next meeting after board members have had more time to review the strategic plan.

- **Booth Display**
  Casey advised the board that no bids have been obtained for a booth display. Three bids will be needed and Casey indicated that he would have Lee procure these prior to the next board meeting. A discussion followed regarding the type of booth desired. It was requested that Casey bring photos to the next board meeting showing a few different types of booth displays.

**New Business**

- **Shipping License Fee Sunset Date**
  Dave raised the issue of the sunset clause of the Shipper License Fee, from which the board collects most of their revenue. A discussion ensued concerning the extension of this clause, with an acknowledgement that the board is removed from the legislative process of addressing this issue and cannot engage in or utilize board funds for political activity.

- **Grape Checkoff Fee Collection Reporting**
  The Nebraska Grape Excise Tax Statute states that one cent per pound is levied upon all grapes sold through commercial channels in Nebraska or delivered in Nebraska. The excise tax is paid by the grower at the time of sale or delivery and is collected by the first purchaser. Since the tax only applied to grapes, Ellen put forth the possibility of taxing all fruits and honey that are used to make wine. After a brief discussion, it was decided this should wait until a later time and that the board may not be the appropriate body for addressing such a change.

- **Grant Proposals for 2010-2011 Fiscal Year**
  Jason presented three grant proposal applications on behalf of the NWGGA. The following proposals were presented at this time and addressed later in the meeting by the board:
  - $7,000 to pay for enhancements to the NWGGA website
  - $10,000 to continue the Nebraska’s Wine Tour Passport Program
  - $4,500 to pay for scholarships for Viticulture Education
• **2010-2011 Fiscal Year Overview**
  Casey informed the board that he is in the process of writing contracts for the current fiscal year. A few issues, such as the Wine Quality Assessment and wine competition, were briefly discussed and it was decided that these issues should be addressed at the next meeting. Max indicated that the previously approved grant for ozone technology at his vineyard would likely not be spent this fiscal year due to the necessary equipment not being available.

  Dave moved to delay the Discussion of Allocation of Additional Funding to later on the agenda, which was seconded by Max. The motion passed unanimously.

• **Review Final Reports**
  Ellen opened the discussion on considering some sort of template to better document final reports in a more uniform manner. Casey informed the board that he has asked Lee to assist in putting together a template for a final report that can be distributed to grant recipients for their consideration when drafting their final reports. In addition, Max requested that Lee formulate a project matrix to be included on each report that provides a summary of the grants, their results, and the status of the projects. A lengthy discussion ensued as to how stringent the board should be with the final reports and how the submission of a final report might impact future funding decisions.

• **Allocation of Additional Funding**
  The board decided to delay a decision on funding the Viticulture Scholarships and Passport Program Proposals put forth by the NWGGA until the next meeting. The board unanimously voted to fund the following project:
  
  - $5,000 to pay for enhancements to the NWGGA website (the amount awarded was reduced from the grant request of $7,000)

• **Other Items**
  Ellen moved to add the following byline to be made available for download on the board’s website: “Funded in part by the Nebraska Grape & Winery Board.” The byline is intended to be added to print or electronic materials that give recognition to board funded projects. Dave seconded this motion, which passed unanimously.

  It was determined that the next board meeting be held on October 29, 2010 at Misty’s Restaurant in Lincoln, NE at a time that is yet to be determined.

  Ellen moved to adjourn and it was seconded by Dave. The motion passed unanimously. The meeting was adjourned at 5:05 p.m.

Respectively Submitted,
Lee Grossman, Staff Assistant
Nebraska Grape & Winery Board
Nebraska Grape and Winery Board Meeting Minutes
Holiday Inn
141 N. 9th Street
Lincoln, Nebraska
November 20, 2010

Board Members Present:  Ellen Burdick, President
Max McFarland, Vice President
Bart Holmquist, Secretary/Treasurer
Terry Ryan
Dave Hanna

Ex-Officio Members Present:  Casey Foster, Department of Agriculture

Board Staff Assistant Present:  Lee Grossman

Guests Present:  Tom Zumpfe, NWGGA President
Jason Hayes, NWGGA Executive Director
Jennifer Reeder, NWGGA Board Member
Dr. Paul Reed, University of Nebraska – Lincoln
Andre Mick

Vice President Max McFarland moved to open the meeting at 4:45 p.m., as Ellen’s arrival was delayed. It was moved and seconded by Max and Dave, respectively, that the agenda be accepted. The motion passed unanimously.

Max opened discussion regarding approval of minutes, as written. After a brief review, Max motioned that the minutes be approved as written, which was seconded by Dave. The motion passed unanimously.

Notice of this meeting was published in the November 1, 2010, edition of the Omaha World Herald.

Old Business
- Nebraska Winery and Grape Growers Association (NWGGA) Update
  Jason Hayes began with an update of NWGGA projects. The Passport Program is currently the primary focus. Passports will be received through the end of the year and funds will be expended by March 2011. A discussion then ensued as to how to encourage more Passport participants to visit more Nebraska wineries. Max asked if it were possible to disaggregate and track the traffic of Passport participants across the state. Jason said he will tally how many Passport
participants visited each winery in 2010. This information could be presented at a future Board meeting.

Tom Zumpfe added that there are two NWGGA proposals currently pending from the prior Board meeting. These projects are for the Passport Program campaign and viticulture scholarships for on-line courses offered through the Des Moines Area Community College (DMACC). Tom emphasized that the proposal for the Passport Program is most critical to NWGGA, because the Passport campaign is in the process of issuing payments. A discussion ensued as to the availability of funds from the Board, which acknowledged that the majority of available funds are committed.

- **UNL Viticulture Program Update**

Dr. Paul Reed provided an update for the University of Nebraska - Lincoln Viticulture Program (UNLVP). Dr. Reed identified the grant to be of great importance to the program. It has been used to fund half of Steve Gamet’s salary, who is the viticulture technician for UNLVP. Steve’s contributions and competencies have steadily risen to new levels. Dr. Reed stated he and Steve were able to increase their travel to extension locations and Nebraska wineries this past year, as a result of Board funding. The wineries seemed to be enthusiastic and appreciative that UNLVP personnel took the time and effort to visit their operations.

Dr. Read also provided brief updates of additional projects. For the first time, bird netting was applied to all UNLVP research vineyards. The testing and research of new varietals and their suitability to conditions in Nebraska has been promising thus far. Trellis studies have also been promising at the Czechland Vineyards location, specifically for the Marquette varietal. The planning for the 14th Annual Nebraska Grape and Winery Forum and Tradeshow in Kearney is well underway and progressing well. Dr. Read informed the Board that he has a healthy speaker lineup for the event and is still working on finalizing the speaker roster.

Due to the heavy rain experienced in May and June, Dr. Read noted the prevalent nature of disease issues in vineyards. From observation and estimates, Dr. Read thought that yields for this year were approximately 60 - 70% of normal. The most excessive disease issues were found in eastern Nebraska; this was particularly so in occurrences of black rot in the Frontenac varietal.

Dr. Read expressed disappointment over the termination of the Scottsbluff viticulture research location. Due to budget constraints at the Panhandle Research and Extension Center, efforts at the vineyard will not continue. Dr. Read noted that he hopes to retrieve as much data as possible from the research location, but also speculated that UNLVP viticulture development efforts in western Nebraska will suffer.
• **Strategic Plan Updates**
  It was noted that the strategic plan was included in the 2009 - 2010 Fiscal Year Annual Report. After reviewing the minor updates to the strategic plan from the prior Board meeting, Bart moved to approve the changes to the strategic plan. Dave seconded the motion, which then passed unanimously.

• **Wine Quality Assurance Program Feasibility Study Discussion**
  The Board opened up discussion of the key results of the study with a brief presentation of the study’s highlights by Casey and Lee. Max noted that the Board should get behind the results as they appear to be beneficial to the industry. Ellen also noted that wineries should receive some sort of feedback, if their wines are determined to be flawed, but salable. Further discussion then ensued over what a feasible Wine Quality Assurance Program would look like when implemented. NWGGA also prepared a proposal on this topic that is discussed in additional detail.

• **Web Site Functionality**
  Ellen noted that the web site is updating knowledge relevant to the industry and serving as an excellent medium for releasing information regarding the Board. Casey also noted that the hits to the web site have been improving. Max also commented on the visually appealing layout and design of the web site.

• **Booth Display Update**
  Casey and Lee circulated bids received from four different marketing entities (David & Associates, Snitily Carr, Inflatable Marketplace, Renze Display, and Display Structures). After examining the bids, it was decided that the Board members would take the bids home with them for closer consideration. Max also brought forth the suggestion of inviting these representatives at the next Board meeting to determine if these companies would be able to create a booth display at a reasonable cost.

  Matrices summarizing the final reports for the three previous fiscal years were distributed to the Board members. Ellen inquired into the possibility of making the final reports available on the Board’s web site. A discussion ensued as to the best format for displaying final reports on the web, and how they could increase awareness of Board-funded projects. Casey said he would meet with the Nebraska Department of Agriculture’s Web Master to see if this would be possible. The Board would like the final reports for the past three fiscal years uploaded to the web site and listed under either the research or marketing categories.

**New Business**

• **Final Reports Update (2009-2010)**
  Lee advised that he has received the majority of final reports for Board-funded projects during FY2009/10. Most of the reports have been of high quality, but a
few reports have not yet been received. Further information on the overall summary of the prior year’s final reports will be forthcoming.

- **Grant Proposals for 2010-2011 Fiscal Year**
  Jason Hayes, Tom Zumpfe, and Jennifer Reeder presented three grant proposal applications on behalf of the NWGGA. The following proposals were presented at this time and addressed later in the meeting by the Board:
  - $12,000 to pay for the initial stages for developing a Wine Quality Assurance Program
  - $16,100 to fund a premium wine advertising campaign
  - $6,250 to pay for sensitive crop warning flags for vineyards

  Jason also presented additional information concerning proposals, which were presented at the previous Board meeting, but not voted upon. The following proposals were presented again at this time and addressed later in the meeting by the Board:
  - $4,500 to pay for scholarships for viticulture education
  - $10,000 to pay for the NWGGA Passport Program

  Max advised Board members that the ozone contract with Mac’s Creek Vineyard and Winery, which had been previously approved in the amount of $6,092, will not be undertaken this year. The delay was due to an inability to obtain the needed technology necessary for the project. Max then presented a proposal for $5,900 to pay for a fourth year of a cold hardiness study at Mac’s Creek Vineyard and Winery. This proposal was addressed later in the meeting.

- **Allocation of Additional Funding**
  After considerable debate, the Board unanimously voted to fund the following NWGGA projects:
  - Up to $10,000 to pay for the NWGGA Passport Program (funding was approved to pay for 2010 Passport Program expenses)
  - Up to $12,000 to pay for the stages for developing a Wine Quality Assurance Program
  - Up to $4,500 to pay for scholarships for Viticulture Education

  The Board decided to increase the funding for the cold hardiness study to $6,092. The project was approved with a 4-0-1 vote. The abstention is noted below.
  - Up to $6,092 to pay for a fourth year of a cold hardiness study at Mac’s Creek Vineyard and Winery
    - One abstention from the final vote: Max

  Each of the following additional expenses were approved with a 4-0-1 vote by the Board, with the abstentions as noted:
  - $251 for additional expenses incurred by the Wines on the Historic Trail project during the 2009 - 2010 Fiscal Year.
One abstention from the final vote: Ellen
  - $189 for additional expenses incurred by Bart in relation to the Wine Quality Assurance Program Feasibility Study during the 2009 - 2010 Fiscal Year.
  - One abstention from the final vote: Bart

- **2009-2010 Annual Report**
  Casey and Lee presented the 2009 - 2010 Annual Report to the Board for review and approval. After review, Ellen noted that the Annual Report should be mailed and e-mailed to each State Senator. Casey also noted that the Annual Report will be placed on the Board’s website, when approved. Dave motioned to approve the 2009 - 2010 Annual Report. The motion was seconded by Bart and passed unanimously.

The date and time of the next Board meeting will be determined at a later date.

Terry moved to adjourn and it was seconded by Dave. The motion passed unanimously. The meeting was adjourned at 9:00 p.m.

Respectively Submitted,
Lee Grossman, Staff Assistant
Nebraska Grape & Winery Board
President Ellen Burdick opened the meeting at 8:32 a.m. It was moved and seconded by Bart and Terry, respectively, that the agenda be approved and accepted. The motion passed unanimously.

Notice of this meeting was published in the February 17, 2011, edition of the *Omaha World Herald*.

The first order of business was officer elections. Ellen said she would not seek re-election as the Board Chair. Terry nominated Max as Chair. It was seconded by Dave and the motion passed unanimously. Dave nominated Bart to serve as Vice President and then moved to vote. This motion was seconded by Terry and passed unanimously. Bart nominated Dave as Secretary/Treasurer and then moved to vote. Terry seconded this motion, which passed unanimously.

Ellen opened discussion regarding approval of the November 20, 2010 minutes, as written. After a brief review, Terry motioned that the minutes be approved as written, which was seconded by Dave. The motion passed unanimously.
Old Business

- **Nebraska Winery and Grape Growers’ Association (NWGGA) Update**
  Tom Zumpfe, NWGGA President, began with an update of NWGGA projects. Tom noted that there are two NWGGA proposals currently pending, which were presented at the previous Board meeting in November. These projects are targeted for the premium wine advertising campaign and the sensitive crop flags for vineyards. Tom discussed these projects in greater detail. The sensitive crop flags are thought to be a great value in reducing chemical drift, which is potentially damaging to grape yield.

Concerning the premium wine campaign, Mick McDowell said that a bid has been obtained from David & Associates to assist in the planning and implementation of this potential program. Mick mentioned that thirteen wineries sold 90 percent of all Nebraska wines purchased. Given this statistic, Mick went on to emphasize a need to present this facet of the industry in the most advantageous manner. Mick also discussed a potential project with the Nebraska Travel and Tourism Division, which would provide a bus tour to various Nebraska wineries and seek to generate more exposure to the industry.

Tom went on to provide an update of ongoing projects with the NWGGA. Currently, the NWGGA is finalizing the details of the project that provides funding for registration costs associated with a two-credit on-line viticulture or enology course through the Des Moines Area Community College. The NWGGA’s membership will be provided with further information as the specifics of this project are completed. Additionally, the Passport Program attracted 214 participants and awarded a total of $8,125 in “winery bucks.” Finally, a discussion ensued regarding which stages of the Wine Quality Analysis (WQA) Program will be completed during the current fiscal year. Phase two was approved at the previous Nebraska Grape and Winery Board meeting. It was suggested that it may be too late in the current fiscal year to feasibly complete phase two. Max motioned to amend the WQA Project contract to include phase one in the current fiscal year and, if time allows, begin phase two. The Board was in agreement that, at the next meeting, they would set their budget for the 2011-2012 fiscal year. A portion of their budget would be allocated to pay for the second phase of this project. The motion was seconded by Terry and passed unanimously. Ellen emphasized the importance of allowing all Nebraska licensed farm wineries to participate in this project by providing them with the opportunity to have their wine analyzed for flaws.

- **Booth Display Presentation**
  Representatives from Scorr Marketing were invited to provide a brief presentation of their booth display options and capabilities. The Board then engaged in a brief question and answer session with these representatives concerning their bid for the booth display. Following the conclusion of Scorr Marketing’s presentation, Casey and Lee circulated bids received from four different marketing entities (David & Associates, Display Structures, Scorr Marketing, and Snitily Carr). The
Board decided to table this discussion until the next meeting, at which time they will decide which kind of booth they would like to purchase. The Board members decided that they would take the bids home with them for closer consideration.

- **UNL Viticulture Program Update**
  Dr. Paul Reed provided an update for the University of Nebraska Viticulture Program (UNVP). Dr. Reed informed the Board that the Sensitive Crop Locator System had been completed in tandem with the Nebraska Department of Agriculture and that the system is quite functional. Furthermore, the Sensitive Crop Locator has been used to benefit the larger agricultural industry by including other sensitive crops, such as honey, berries, nuts, woody florals, fruits and vegetables, in its database. Dr. Reed emphasized the continued importance of the viticultural technologist to the UNVP and that this is his top priority for any future funding availability. Additionally, UNVP has recently expanded their planting on the University of Nebraska-Lincoln’s East Campus. The East Campus site is providing UNVP with an avenue to further experiment with trellising methods. Finally, Dr. Reed indicated that a significant amount of time has recently been spent in finalizing plans for the 14th Nebraska Grape and Winery Forum and Trade Show, and he is very optimistic for its success.

- **Final Projects**
  Casey and Lee provided an update on final grant reports from the previous three fiscal years. As previously requested by the Board, it has been determined that these reports will be categorized and posted on the Board’s web site for public viewing.

- **2010-11 Fiscal Year Update**
  Casey provided an update of the Board's finances for the current fiscal year. Casey suggested the Board consider increasing the amount set aside for the Board’s room rental costs. Max motioned that this figure be increased to $354. This motion was seconded by Dave and it passed unanimously.

- **Other**
  Mick McDowell provided the Board with a copy of the 2010 NWGGA Marketing Committee Annual Report of Activities. The analysis of the data contained in this document provides insight as to the growth in Nebraska winery numbers, historic wine production levels and overall sales trends for Nebraska wines. It is designed to provide the reader with a grasp for public acceptance of the value added product this industry strives to promote. This report provides summaries of data and graphic illustrations for a better understanding of the conclusions drawn. This report will be particularly useful in showcasing the economic impact of the grape and winery industry in Nebraska. Upon the Board’s request, Casey made 10 copies of this report so that each Board member has a copy.
New Business

- **Web Site Updates**
  Bart mentioned that the Board’s web site should include images displaying bottles of Nebraska wines and wineries. This was thought to be a good idea by the other Board members. Bart said he would electronically solicit photos from wineries and send them to the Nebraska Department of Agriculture for the purpose of displaying the images on the Board’s web site.

- **Other**
  Ellen raised the prospect of developing a Request For Proposals (RFP) for the 2011-12 Fiscal Years. The Board noted their approval of the news release and RFP from the previous year and it was thought that it would be best if the previous year’s materials were updated and released. Max motioned for an RFP to be developed and released on April 1 with a submission deadline of May 15. The motion was seconded by Ellen and passed unanimously.

  Dave identified the need to send a survey to grape growers and wineries. The Board expressed satisfaction with the previous survey and thought that it should be updated and sent to all known grape growers and wineries. The surveys might possibly be sent from the Nebraska Department of Agriculture to the NWGGA to send to grape growers. Completed surveys will be returned to Dave. Max motioned that the surveys be sent on April 1 with a submission deadline of May 1. The motion was seconded by Bart and passed unanimously. The survey results will be posted on the Board’s web site.

The date and time of the next Board meeting will be determined at a later date, but will likely occur in early June of 2011.

Dave moved to adjourn and it was seconded by Bart. The motion passed unanimously. The meeting was adjourned at 12:45 p.m.

Respectively Submitted,
Lee Grossman, Staff Assistant
Nebraska Grape & Winery Board
Nebraska Grape and Winery Board Meeting Minutes
Holiday Inn
210 N 2nd Avenue
Kearney, Nebraska
June 2, 2011

Board Members Present: Max McFarland, Chair
Bart Holmquist, Vice Chair
Dave Hanna, Secretary/Treasurer
Terry Ryan

Ex-Officio Members Present: Casey Foster, Department of Agriculture

Guests Present: Richard Hilske, NWGGA President
Seth McFarland, NWGGA President-Elect
Jason Hayes, NWGGA Executive Director
André Mick
Dr. Paul Read, University of Nebraska – Lincoln

Call to Order

Chair Max McFarland called the meeting to order at 5:10 p.m.

Approve Agenda

It was recommended that the NWGGA Project Update be postponed until all of the NWGGA members were present. It was moved and seconded by Bart and Terry, respectively, that the agenda be approved as amended. The motion passed unanimously.

Approve Minutes of March 3, 2011 Meeting

Max opened discussion regarding approval of the March 3, 2011, minutes, as written. After a brief review, it was noted that the spelling of Dr. Read’s name on the last paragraph of page 2 be corrected. Bart motioned and Terry seconded that the minutes be approved as amended. The motion passed unanimously.

Date of Public Notice in Omaha World Herald

It was noted that this meeting was published in the May 15, 2011, edition of the Omaha World Herald.
Old Business

Wine Quality Assurance Update
The Board allocated $12,000 to the NWGGA to initiate the development of a statewide Wine Quality Assurance Program administered by a consultant and developed in consultation with NWGGA member wineries. The objective of this project was to provide wineries with follow-up to wine analyses. A joint evaluation was set up for Colorado and Nebraska wines. Funds were used to pay for lab supplies, facilities, and assistants, data evaluation, and the panelists’ and consultant’s mileage, hotel and meal costs. Although the total cost of this project amounted to $12,000, only $6,000 of the money allocated to the NWGGA was used to pay for these expenses. The Colorado Winey Industry Development Board covered the remaining $6,000, which included the purchase of 7 reference wines. At the previous meeting, the Board approved an amendment to the original contract further defining the objective of this project. After further discussion, it was motioned by Terry and seconded by Bart that the amendment be rescinded. The motion passed unanimously.

Nebraska Winery and Grape Growers’ Association (NWGGA) Project Updates
Richard Hilske, NWGGA President, Seth McFarland, NWGGA President-Elect, and Jason Hayes, NWGGA Executive Director, gave an update of NWGGA projects.

The NWGGA received $5,000 from the Board to enhance the functionality of the NWGGA web site. The primary enhancements included accepting credit card payments via the web site for event and membership fees, the inclusion of electronic newsletters, and additional membership and event management modifications.

The Nutrition Education project is complete. The Board allocated $2,745 towards this project, which was used to conduct seminars that monitored grapevine nutrition to help Nebraska grape growers determine the nutrient needs of established vine plantings.

In September 2010, the NWGGA was the recipient of 2008 USDA Specialty Crop Block Grant Program funds. The project, which consisted of hosting educational seminars, addressed the topics covered in the VINEBALANCE Grower Self-Assessment Workbook. The seminars, or grower field days, provided guidance in evaluating and adopting best management practices that can minimize environmental impacts, reduce economic risks, and protect worker health and safety.

The Board approved up to $4,500 to the NWGGA to pay for registration costs associated with a two-credit on-line viticulture or enology course conducted through the Des Moines Area Community College (DMACC). It was reported that funding for this project will not be expended this year, but it was requested that these expenses be approved for funding in the 2011 – 2012 fiscal year.

The Board approved funding for the NWGGA Passport Program, which has been a popular promotional piece for the NWGGA. Consumers who tour participating wineries and tasting rooms receive a “stamp” at each location they visit. After a certain number
of stamps have been received, Passports can be sent to the NWGGA in return for gift cards or “Winery Bucks,” which can be used for the purchase of wine from any Passport participating establishment. To date, 210 households have submitted Passports in exchange for Winery Bucks. May 31, 2011, is the deadline to submit Passports to the NWGGA. From January – June 2011, a total of $7,310 in Winery Bucks will be paid to participating Passport consumers.

A total of 35,000 Passports were printed last year, but only 30,000 were printed in 2011. Currently, changes are being made for the next edition. NWGGA is working to have it released in December or January instead of March or April. A copy of the Passport can be printed from the NWGGA web site for consumer convenience.

A total of $50,000 was allocated to the NWGGA to fund an Executive Director position and to pay for marketing activities, both of which were designed to increase the competitiveness and sustainability of Nebraska’s grape and wine industry. A copy of the Executive Director’s job description was sent via e-mail, to the Board, upon their request. It is expected that the funds from this grant will be fully expended by June 30, 2011.

UNL Viticulture Program Project Updates
Dr. Paul Read provided an update for the University of Nebraska – Lincoln’s (UNL) Viticulture Program. Dr. Read informed the Board that the cultivar and new genotype evaluation continues to move forward. A long term, multi-state project is being conducted to evaluate performance of a common set of grape cultivars for data acquisition and analysis. Nebraska’s cultivars tested will also be evaluated in the same manner in Iowa, South Dakota, Illinois, Indiana, Minnesota, Wisconsin, and Missouri. 2011 will be the first year for a modest harvest enabling for the first evaluation of fruit parameters.

The evaluation of trellis construction systems and new cultivar performance continues to progress. The first stages are complete and the second, involving Marquette vines, has been established in a new vineyard planting on UNL’s East Campus. Duraline™, which is an alternative trellis wire, is being compared against conventional wires.

The evaluation of cold-hardiness, spring bud-break and cold temperature damage prevention and management began in 1998. A discussion of this topic can be found at http://agronomy.unl.edu/viticulture. This is a long-term project and will continue for an additional 5 to 10 years in order to span a reasonable period of variation in weather-related events.

Additionally, seedless table grapes have been planted to determine the potential efficacy of chemical and physical treatments to delay spring bud-break. Vineyard spray treatments have been applied to Edelweiss vines. This too is an ongoing project and will provide valuable information to Nebraska grape growers.
Other UNL projects ongoing include evaluating purported magnesium deficiencies in grape vines, mulch studies, cultivar growing degree studies, and disease and insect management practices. Dr. Read expressed his deep appreciation for the Board’s funding assistance, which has been used to pay for UNL’s viticulture technologist’s salary, student hourly labor, vineyard supplies, travel expenses, and fuel and vehicle rental costs involved in the oversight and implementation of viticulture program activities.

**Web Site Functionality**

Final reports of all Board funded projects (dating back to 2006) have been collected, compiled, and reviewed for completeness. These reports will be uploaded to the Board’s web site so that projects are sortable by fiscal year and subject category. Dr. Read asked if a link to UNL’s viticulture web site could be added to the Board’s web site. Casey will talk with the Nebraska Department of Agriculture’s webmaster to add it to the web site.

Casey also gave an update of the number of hits to the web site each month. It was noted that the Strategic Plan had the highest number of hits, totaling 326 in the month of May alone. Cumulatively, the Board’s web site had 1,777 hits during the month of May.

**Booth Display Update**

The Board approved up to $2,000 from the Winery and Grape Producers’ Promotional fund to pay for the creation of a Board display booth. The purpose of a booth is to assist in the promotion of Nebraska’s emerging grape and wine industry. Four bids were received from four different marketing firms. It was decided that before a booth be created, a design should first be developed. Once this has been accomplished, the Board would decide the next steps to take. Terry motioned and Dave seconded that Bart investigate the possibility of developing a design for the booth. The motion carried unanimously. Bart requested that Casey send him some of the images currently on the Board’s web site so that he can create a design mock-up.

**Legislative Update**

It was reported that on May 18, 2011, Governor Heineman signed into law LB 286, which amended §53-123.15. The current law stated that the Nebraska Liquor Control Commission may issue a shipping license to any person who sells and ships alcoholic liquor from another state directly to a consumer in Nebraska. A person who receives a license pursuant to this subsection shall pay the fee required in § 53-124 and §53-124.01 for a direct sales shipping license. Until April 30, 2012, such fee shall be collected by the commission and remitted to the State Treasurer for credit to the Winery and Grape Producers’ Promotional Fund. Passage of LB 286 removed the April 30, 2012, sunset date.

**Grape Grower Survey Update**

Dave gave an update regarding the Board’s Grape Grower Survey. A short summary of the data collected was presented. The next step is to send a list of names to wineries to
find other vineyards. There was some discussion as to if any industry repercussions would be felt from the Board as a result of this survey.

The Board asked Casey if the Nebraska Department of Agriculture could add information to the fee collection form so that survey information could be more easily retrieved. The Board asked if the following questions could be added to the form:

1. Names and addresses of the grape growers from whom the winery purchases grapes from?
2. Number of pounds of grapes purchased by the winery?
3. Number of pounds of grapes the winery owns?
4. Number of pounds of grape varieties the winery purchases from their grower(s)?

Casey will check with the Nebraska Department of Agriculture’s Finance Division to see if inclusion of this information would be allowed on the fee collection form.

**New Business**

**2010 – 2011 Fiscal Year Update**

Casey handed out a copy of the May 2011 fiscal report. He said a lot of work will be done during the month of June to collect invoices so that payments can be made to the respective entities for their project(s).

**Discuss Allocation of Funding**

After reviewing the May 2011 fiscal report, the Board began reviewing the 15 project proposals that were submitted to the Board. A detailed discussion ensued regarding each proposal. Following this discussion, it was determined that the Board would allocate approximately $142,392 toward 2011 – 2012 fiscal year projects.

Below is a listing of the 15 proposals submitted to the Board for the 2011 – 2012 fiscal year. The project titles, applicant names, amounts requested, and the amount of money allocated to each project is listed below.

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Applicant</th>
<th>Amount Requested</th>
<th>Amount Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensitive Crop Warning Flags for Vineyards</td>
<td>NWGGA</td>
<td>$6,250</td>
<td>$0</td>
</tr>
<tr>
<td>Grape Grower Educational Workshops</td>
<td>NWGGA</td>
<td>$5,000</td>
<td>$5,000 (speaker honorariums, speaker expenses, meeting room costs, and seminar materials only)</td>
</tr>
<tr>
<td>Winery Council</td>
<td>NWGGA</td>
<td>$7,600</td>
<td>$5,000 (speaker honorariums, speaker expenses, meeting room costs, and seminar materials only)</td>
</tr>
<tr>
<td>Project Title</td>
<td>Applicant</td>
<td>Amount Requested</td>
<td>Amount Awarded</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>---------------------------</td>
<td>------------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Workshop*</td>
<td></td>
<td></td>
<td>honorariums, speaker expenses, meeting room costs, and seminar materials only)</td>
</tr>
<tr>
<td>Feasibility Study for Nebraska Wine Expo/Festival</td>
<td>NWGGA</td>
<td>$12,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>Stepped Up Premium Wine Advertising Campaign</td>
<td>NWGGA</td>
<td>$16,100</td>
<td>$6,100 (parts A &amp; B only)</td>
</tr>
<tr>
<td>NWGGA Executive Management Services and Marketing Activities</td>
<td>NWGGA</td>
<td>$50,000</td>
<td>$36,000 (Executive Director’s salary only)</td>
</tr>
<tr>
<td>Strategic Plan and Creation Project</td>
<td>NWGGA</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>NWGGA Membership Registration Web Site Enhancement</td>
<td>NWGGA</td>
<td>$5,000</td>
<td>$0</td>
</tr>
<tr>
<td>UNL Viticulture Program</td>
<td>UNL</td>
<td>$63,206</td>
<td>$38,038 (viticulture technologist’s salary and benefits, student hourly labor, and fuel and vehicle rental costs only)</td>
</tr>
<tr>
<td>Amigo Oil: Single Versus Multiple Applications (Year 5)</td>
<td>Mac’s Creek Winery and Vineyards</td>
<td>$5,555</td>
<td>$5,500</td>
</tr>
<tr>
<td>Wine Trail Development</td>
<td>Mid-Nebraska Wine Trail</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Marketing Action Plan for Southeast Nebraska Winery Trail Association</td>
<td>Southeast Nebraska Winery Trail Association</td>
<td>$9,000</td>
<td>$0</td>
</tr>
<tr>
<td>2011/2012 Marketing for Wines on the Historic Trails</td>
<td>Wines of the Historic Trails</td>
<td>$3,607</td>
<td>$0</td>
</tr>
<tr>
<td>The Economic and Geological Feasibility of Wine</td>
<td>Eric Thompson</td>
<td>$16,800</td>
<td>$0</td>
</tr>
</tbody>
</table>
Below is a listing of additional projects the Board approved for funding. Each one was approved last fiscal year, but, due to various reasons, the projects did not take place or were only partially completed.

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Applicant</th>
<th>Amount Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wine Quality Assurance Program (Year 1)</td>
<td>NWGGA</td>
<td>$6,000</td>
</tr>
<tr>
<td>DMAAC Viticulture and Enology Education</td>
<td>NWGGA</td>
<td>$4,500</td>
</tr>
<tr>
<td>Nebraska Grape and Winery Board Display Booth</td>
<td>Nebraska Grape and Winery Board</td>
<td>$2,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$12,500</td>
</tr>
</tbody>
</table>

The Board also approved the following amounts for each of the fixed expenses.

<table>
<thead>
<tr>
<th>Fixed Expense Description</th>
<th>Amount Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing</td>
<td>$500</td>
</tr>
<tr>
<td>Room Rental</td>
<td>$354</td>
</tr>
<tr>
<td>Public Meeting Notices</td>
<td>$400</td>
</tr>
<tr>
<td>Nebraska Department of Agriculture Fee Collection</td>
<td>$2,500</td>
</tr>
<tr>
<td>Board Staff Assistant Position</td>
<td>$5,000</td>
</tr>
<tr>
<td>Board Expense</td>
<td>$3,500</td>
</tr>
<tr>
<td>Total</td>
<td>$12,254</td>
</tr>
</tbody>
</table>

The Board estimated that their total available cash revenue for the 2011 – 2012 fiscal year would equal $202,662. Below is a breakdown of each line item, which the Board approved.

<table>
<thead>
<tr>
<th>Revenue Description</th>
<th>Revenue Accumulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Cash Balance</td>
<td>$34,462</td>
</tr>
<tr>
<td>Shipper License Fees</td>
<td>$142,500</td>
</tr>
<tr>
<td>Check-Off Fee</td>
<td>$8,600</td>
</tr>
<tr>
<td>Revenue Description</td>
<td>Revenue Accumulation</td>
</tr>
<tr>
<td>---------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Crushed Grape Fees</td>
<td>$14,600</td>
</tr>
<tr>
<td>Investment Interest</td>
<td>$2,500</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$0</td>
</tr>
<tr>
<td>Total Available Cash</td>
<td>$202,662</td>
</tr>
</tbody>
</table>

The grand total of expenditures amounted to $142,392 and total available cash was estimated at $202,662. The ending cash balance was estimated at $60,270. Dave made a motion to approve this budget for the 2011 – 2012 fiscal year. Bart seconded. The motion passed unanimously.

**Board Staff Assistant Position**
Leland Grossman, the Board’s Staff Assistant, announced his resignation in May. He accepted a full-time job position with the State of Wyoming. He asked Casey to express his sincere appreciation to the Board for allowing him to serve in this capacity. Lee played a large role in enhancing the accountability and reporting of Board-funded projects. Casey is currently in search of another college student who is willing and qualified to fill this vacated position.

**Other**
Discussion was to revive the Consortium Planning Committee for the Nebraska Grape and Winery Trade Show and Forum. This committee would consist of 2 Board members, 2 UNL representatives, and 2 NWGGA members. Consensus was that Bart and Max would serve as the Board’s representatives.

**Other Business**
After the Board members completed their expense vouchers, it was decided that the next meeting be held in July. An exact time, date, and location will be decided after the start of the 2011 – 2012 fiscal year.

**Adjourn**
Terry made motion to adjourn and Bart seconded it. Motion passed unanimously. The meeting adjourned at 10:48 p.m.
2010 – 2011 FISCAL REPORT
## WINE & GRAPE PRODUCTION PROMOTION BOARD
### JULY 1, 2010 - JUNE 30, 2011

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>FY2010-11 BUDGET</th>
<th>June, 2011</th>
<th>FY2010-11 YR-TO-DATE</th>
<th>YTD AS % OF BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGINNING CASH BALANCE</td>
<td>$ 39,136</td>
<td>$ 127,194.70</td>
<td>$ 39,135.91</td>
<td></td>
</tr>
<tr>
<td><strong>REVENUE:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shipper License Fees</td>
<td>$ 125,000</td>
<td></td>
<td>2,500.00</td>
<td>142,000.00</td>
</tr>
<tr>
<td>Check-Off Fee</td>
<td>8,600</td>
<td>0.00</td>
<td>8,746.80</td>
<td></td>
</tr>
<tr>
<td>Crushed Grape Fees</td>
<td>14,600</td>
<td>0.00</td>
<td>13,168.79</td>
<td></td>
</tr>
<tr>
<td>Investment Interest</td>
<td>2,500</td>
<td>325.62</td>
<td>1,867.78</td>
<td></td>
</tr>
<tr>
<td>Other Revenue</td>
<td></td>
<td>0.00</td>
<td>736.00</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$ 150,700</td>
<td>$ 2,825.62</td>
<td>$ 166,519.37</td>
<td>110%</td>
</tr>
<tr>
<td><strong>TOTAL AVAILABLE CASH</strong></td>
<td>$ 189,836</td>
<td>$ 130,020.32</td>
<td>$ 205,655.28</td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing (Annual Report)</td>
<td>$ 500</td>
<td>0.00</td>
<td>$ 451.41</td>
<td></td>
</tr>
<tr>
<td>Room Rental</td>
<td>354</td>
<td>0.00</td>
<td>354.00</td>
<td></td>
</tr>
<tr>
<td>Board Meeting Notices</td>
<td>400</td>
<td>0.00</td>
<td>184.29</td>
<td></td>
</tr>
<tr>
<td><strong>NWGGA Contracts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NWGGA - Exec. Dir. &amp; Marketing</td>
<td>50,000</td>
<td>12,200.00</td>
<td>51,100.00</td>
<td></td>
</tr>
<tr>
<td>NWGGA - Nutrition Project</td>
<td>2,745</td>
<td>0.00</td>
<td>2,745.00</td>
<td></td>
</tr>
<tr>
<td>NWGGA - Website Update</td>
<td>5,000</td>
<td>5,000.00</td>
<td>5,000.00</td>
<td></td>
</tr>
<tr>
<td>NWGGA - Passport Program (2010)</td>
<td>10,000</td>
<td>2,886.24</td>
<td>2,886.24</td>
<td></td>
</tr>
<tr>
<td>NWGGA - Wine Quality Program Yr 1</td>
<td>12,000</td>
<td>6,000.00</td>
<td>6,000.00</td>
<td></td>
</tr>
<tr>
<td>NWGGA - DMACC Training</td>
<td>4,500</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td><strong>UNL Contracts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNL – Viticulture</td>
<td>47,718</td>
<td>23,859.00</td>
<td>47,718.00</td>
<td></td>
</tr>
<tr>
<td><strong>Contracts (Misc.)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mac's Creek - Cold Hardiness Study (Yr 4)</td>
<td>6,092</td>
<td>6,092.00</td>
<td>6,020.00</td>
<td></td>
</tr>
<tr>
<td>NDA Fee Collection</td>
<td>2,500</td>
<td>0.00</td>
<td>2,028.28</td>
<td></td>
</tr>
<tr>
<td>SchillingBridge</td>
<td>1,565</td>
<td>1,060.00</td>
<td>1,060.00</td>
<td></td>
</tr>
<tr>
<td>Amateur Wine Club</td>
<td>1060</td>
<td>633.00</td>
<td>1,060.00</td>
<td></td>
</tr>
<tr>
<td>Grape and Winery Board Display Booth</td>
<td>2,000</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Wine Quality Feasibility Study (2010)</td>
<td>189</td>
<td>0.00</td>
<td>188.69</td>
<td></td>
</tr>
<tr>
<td>WHT Wine Trail Assn (2010)</td>
<td>251</td>
<td>0.00</td>
<td>251.13</td>
<td></td>
</tr>
<tr>
<td><strong>Board Assistant</strong></td>
<td>5,000</td>
<td>137.78</td>
<td>3,297.62</td>
<td></td>
</tr>
<tr>
<td><strong>Board Expense</strong></td>
<td>3,500</td>
<td>427.52</td>
<td>3,513.84</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$ 155,374</td>
<td>$ 58,223.54</td>
<td>$ 133,858.50</td>
<td>86%</td>
</tr>
<tr>
<td>Adjustment to Fund Balance</td>
<td>0</td>
<td></td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>ENDING CASH BALANCE</td>
<td>$ 34,462</td>
<td>$ 71,796.78</td>
<td>$ 71,796.78</td>
<td></td>
</tr>
</tbody>
</table>

*The end cash balance is 100% invested in the short-term investment pool.
Percent of Fiscal Year Elapsed: 100%
FY09-10 Revenue to Date: $162,220.35
FY09-10 Expenditures to Date: $196,463.33
CONTRACTS
 AGREEMENT 

 between 

 NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION 

 and 

 NEBRASKA DEPARTMENT OF AGRICULTURE 

 #18-01-120 

 This Agreement, entered into by and between the Nebraska Winery and Grape Growers’ Association, hereinafter called the “NWGGA,” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the funding from the Nebraska Grape and Winery Board to NWGGA to fund an Executive Director position and to conduct marketing activities to assist in the betterment of Nebraska’s grape and wine industry.

 WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

 WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

 WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to NWGGA;

 WHEREAS, the promotional activities conducted by NWGGA will greatly assist the Nebraska grape and winery industry; and

 WHEREAS, both parties hereto desire to enter into this Agreement in order to further promote Nebraska’s grape and wine industry.

 NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

 1. The Nebraska Grape and Winery Board approved fifty thousand dollars ($50,000) from the Winery and Grape Producers Promotional Fund to fund an Executive Director position ($36,000), and to pay for marketing activities ($14,000), both of which are designed to increase the competitiveness and sustainability of Nebraska’s grape and wine industry.
An amount of thirty-six thousand dollars ($36,000) will be used to pay for the salary of the NWGGA’s Executive Director’s position. The remaining fourteen thousand dollars ($14,000) will be used to pay for brochures, media campaign, the Wine Tour Passport Program, web page improvement, educational seminars, and grower field days. It will be the responsibility of the Executive Director to administer and execute these programs.

2. **Duration of Agreement.** This Agreement shall be in force and effective from July 1, 2010, to June 30, 2011.

3. The Department agrees to provide the funds as set out in Paragraph 1, from the Winery and Grape Producers Promotional Fund.

4. Payment in the amount of fifty thousand dollars ($50,000) from the Winery and Grape Producers Promotional Fund to NWGGA will be payable in full upon both parties signing this Agreement and NWGGA incurring an obligation. NWGGA shall present invoices to the Department from which payments shall be made.

5. NWGGA shall provide a written final report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and use of funds, will be made public by the Nebraska Grape and Winery Board.

6. Funding for these projects are subject to legislative appropriations and funding being available. Any unused funds shall be refunded to the Department and credited back to the Winery and Grape Producers Promotional Fund.

7. After the Agreement begins, it is understood that, if additional costs should be incurred, with the mutual written consent of all parties to this Agreement, and provided resources are available, this Agreement may be amended.

8. NWGGA shall utilize funds provided by the Department only for funding an Executive Director position and marketing activities to conduct the duties called for in this Agreement. Department funds collected from a checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.

9. The parties mutually agree as follows:

   a. NWGGA shall:
(1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

(2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

It is further understood and agreed that, if NWGGA is in violation of this clause, it shall be barred forthwith from receiving further funds unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party of the Agreement to be valid.

c. NWGGA agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:

(1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the NWGGA workplace;

(2) The specific actions that will be taken against employees for violating the policy; and

(3) A requirement that each employee shall receive a copy of the policy.

d. NWGGA shall indemnify and hold harmless the Department from any and all claims and liabilities, including costs and legal fees that may arise out of, or on account of, any failure on the part of NWGGA to perform such duties for the Department, as herein specified. This obligation shall survive the expiration or termination of this Agreement.

e. The books of account, files, and other records of NWGGA which are applicable to this Agreement shall be available for inspection, review, and audit by the Department and its representatives to determine the proper application and use of all funds paid to and for the account or benefit of NWGGA.
f. NWGGA agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, NWGGA shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Department has agreed that such records no longer need to be retained.

g. NWGGA specifically agrees that funds given to NWGGA shall be used only for the projects and purposes enumerated herein, and further acknowledges that expenditures shall not be used for political activity.

h. Any funds paid to NWGGA under this Agreement, and not fully utilized and earned pursuant to this Agreement during the Agreement period, shall be returned to the Department and credited to the Winery and Grape Producers Promotional Fund, unless otherwise agreed. Furthermore, if NWGGA fails to perform as outlined herein, NWGGA shall be required to repay any unearned funds received under this Agreement.

i. This Agreement is not assignable without the express written approval of the Department.

j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

k. The relationship of the Department and NWGGA under this Agreement shall be that of principal and independent contractor. It is understood by both the Department and NWGGA that NWGGA is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.

l. All provisions of this Agreement are subject to the Americans with Disabilities Act.

m. NWGGA guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.

n. NWGGA is required, and hereby agrees, to use a federal immigration verification system to determine the work eligibility of new employees physically performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized
by the Illegal Immigration Reform and Immigrant Responsibility Act of 1998, U.S.C. 1234a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security, or other federal agency authorized to verify the work eligibility status of a newly hired employee.

0. This contract becomes valid upon the date of the final signature.

Approved:

NEBRASKA DEPARTMENT OF AGRICULTURE

____________________________
Date

Greg Ibach, Director

NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION

____________________________
Date

R. Thomas Zumpfe, President
AGREEMENT

between

MAC’S CREEK VINEYARD AND WINERY

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-060

This Agreement entered into by and between Mac’s Creek Vineyard and Winery, hereinafter called the “Vineyard,” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the funding from the Nebraska Grape and Winery Board to the Vineyard toward research activities to assist in the betterment of Nebraska’s grape and wine industry.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to the Vineyard for a study of grapevine cold hardiness;

WHEREAS, the research activities conducted by the Vineyard will greatly assist the Nebraska grape and winery industry; and

WHEREAS, both parties hereto desire to enter into this Agreement in order to further enhance Nebraska’s grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approved up to six thousand ninety-two dollars ($6,092) from the Winery and Grape Producers Promotional Fund to assist the Vineyard in paying for the fourth year of a cold hardiness study.

   The cumulative strength of the past three studies have been quite surprising. Therefore, the Vineyard will now conduct a fourth year study to
investigate the effectiveness and practicality of wide-scale commercial application of Amigo Oil. The specific goals of this project are as follows:

a. Compute cultivar specific longitudinal bud delay averages across two to four years; and

b. Evaluate the practicality or sustainability of wide-scale application to determine and/or estimate the cost benefit average across all four years.

Small blocks of two to four vines of each of four cultivars (Marechal Foch, LaCrosse, Edelweiss, Brianna) will be systematically selected to receive no Amigo Oil treatment (Control Group). The remaining seven acres (approximately 3,000 vines) will be treated (Treatment Group). All vines will be pruned prior to the first application of Amigo Oil. Twenty-five vines from the Treatment Group for each of the four cultivars will be systematically selected for bud ratings. The initial treatment will be applied on or about March 1, 2011, and reoccur approximately once every two weeks after, until bud break (approximately May 1, 2011).

Up to six thousand ninety-two dollars ($6,092) will pay for the costs associated with this project, which include chemicals, labor (pruning and application), consultant expenses (time, travel, consulting fees, and lodging) and data collection, entry, and analysis.

2. Duration of Agreement: This Agreement shall be in force and effective from November 20, 2010, to June 30, 2011.

3. The Department agrees to provide the funds as set out in Paragraph 1, from the Winery and Grape Producers Promotional Fund.

4. The Vineyard shall provide a written final report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and use of funds, will be made public by the Nebraska Grape and Winery Board.

5. Payment in the amount of up to six thousand ninety-two dollars ($6,092) from the Winery and Grape Producers Promotional Fund to the Vineyard will be payable, in full, upon both parties signing this Agreement, and the Vineyard incurring an obligation for this project. The Vineyard shall present an invoice to the Department from which payments shall be made.

6. Funding for this project is subject to legislative appropriations and funding being available. Any unused funds shall be refunded to the Department and credited back to the Winery and Grape Producers Promotional Fund.
9. After the Agreement begins, it is understood that, if additional costs should be incurred, with the mutual written consent of all parties to this Agreement, and provided resources are available, this Agreement may be amended.

8. The Vineyard shall utilize funds provided by the Department only for facilities, materials, and personnel to conduct the duties called for in this Agreement. Department funds collected from a checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.

9. The parties mutually agree as follows:

a. The Vineyard shall:

   (1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

   (2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

   It is further understood and agreed that if the Vineyard is in violation of this clause, it shall be barred forthwith from receiving further funds, unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party of the Agreement to be valid.

c. The Vineyard agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:

   (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the Vineyard workplace;

   (3) The specific actions that will be taken against employees for violating the policy; and

   (4) A requirement that each employee shall receive a copy of the policy.
d. The Vineyard shall indemnify and hold harmless the Department from any and all claims and liabilities, including costs and legal fees that may arise out of or on account of any failure on the part of the Vineyard to perform such duties for the Department as herein specified. This obligation shall survive the expiration or termination of this Agreement.

e. The books of account, files, and other records of the Vineyard, which are applicable to this Agreement, shall be available for inspection, review, and audit by the Department and its representatives to determine the proper application and use of all funds paid to, and for the account or benefit of, the Vineyard.

f. The Vineyard agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, the Vineyard shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved, and the Department has agreed that such records no longer need to be retained.

g. The Vineyard specifically agrees that funds given to the Vineyard shall be used only for the projects and purposes enumerated herein and further acknowledges that expenditures shall not be used for political activity.

h. Any funds paid to the Vineyard under this Agreement, and not fully utilized and earned pursuant to this Agreement during the Agreement period, shall be returned to the Department and credited to the Winery and Grape Producers Promotional Fund, unless otherwise agreed. Furthermore, if the Vineyard fails to perform as outlined herein, the Vineyard shall be required to repay any unearned funds received under this Agreement.

i. This Agreement is not assignable without the express written approval of the Department.

j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

k. The relationship of the Department and the Vineyard under this Agreement shall be that of principal and independent contractor. It is understood by both the Department and the Vineyard that the Vineyard is not an employee of the Department. It is understood
that the Department assumes no responsibility beyond those specifically stated in this Agreement.

l. All provisions of this Agreement are subject to the Americans with Disabilities Act.

m. The Vineyard guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.

n. The Vineyard is required, and hereby agrees, to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1998, U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security, or other federal agency authorized to verify the work eligibility status of a newly hired employee.

o. This contract becomes valid upon the date of the final signature.

Approved:  

NEBRASKA DEPARTMENT OF AGRICULTURE

Date

Greg Ibach, Director

MAC’S CREEK VINEYARD AND WINERY

Date

Seth McFarland, Vineyard Manager
AGREEMENT
between
NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION
and
NEBRASKA DEPARTMENT OF AGRICULTURE
#18-13-099

This Agreement, entered into by and between the Nebraska Winery and Grape Growers’ Association, hereinafter called the “NWGGA,” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the funding from the Nebraska Grape and Winery Board to NWGGA to pay for 2010 Passport Program related expenses.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to NWGGA;

WHEREAS, the promotional activities conducted by NWGGA will greatly assist the Nebraska grape and winery industry;

WHEREAS, both parties hereto desire to enter into this Agreement in order to further promote Nebraska’s grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approved up to ten thousand dollars ($10,000) from the Winery and Grape Producers Promotional Fund to pay only for the expenses associated with the 2010 Passport Program.

The Passport lists the locations and contact information of approximately 21 wineries and 10 tasting rooms. Consumers who tour participating locations and purchase a wine tasting, receive a stamp from each visited
A total of 15 different winery and 2 tasting room stamps are needed to receive gift cards, called “Winery Bucks.” The “Winery Bucks” are used for the purchase of wine from any Passport participating location.

The goal of this Program is to make the Nebraska grape and wine industry a highly viable and sustainable industry throughout the state. An additional goal is to promote tourism and consumer demand for wine and grape-related products produced in the state of Nebraska.

2. **Duration of Agreement.** This Agreement shall be in force and effective from November 20, 2010, to June 30, 2011.

3. The Department agrees to provide the funds as set out in Paragraph 1, from the Winery and Grape Producers Promotional Fund.

4. Payment in the amount of up to ten thousand dollars ($10,000) from the Winery and Grape Producers Promotional Fund to NWGGA will be payable in full upon both parties signing this Agreement and NWGGA incurring an obligation. NWGGA shall present invoices to the Department from which payments shall be made.

5. Funds tied to this Agreement are only to be used to pay for 2010 Passport Program expenses. Therefore, any invoices dated past December 31, 2010, will result in nonpayment.

6. NWGGA shall provide a written final report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and the use of funds, will be made public by the Nebraska Grape and Winery Board.

7. Funding for these projects are subject to legislative appropriations and funding being available. Any unused funds shall be refunded to the Department and credited back to the Winery and Grape Producers Promotional Fund.

8. After the Agreement begins, it is understood that, if additional costs should be incurred, with the mutual written consent of all parties to this Agreement, and provided resources are available, this Agreement may be amended.

9. NWGGA shall utilize funds provided by the Department to conduct the duties called for in this Agreement. Department funds collected from a checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.

10. The parties mutually agree as follows:
a. NWGGA shall:

(1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

(2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

It is further understood and agreed that, if NWGGA is in violation of this clause, it shall be barred forthwith from receiving further funds, unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party of the Agreement to be valid.

c. NWGGA agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:

(1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the NWGGA workplace;

(4) The specific actions that will be taken against employees for violating the policy; and

(5) A requirement that each employee shall receive a copy of the policy.

d. NWGGA shall indemnify and hold harmless the Department from any and all claims and liabilities including costs and legal fees that may arise out of, or on account of, any failure on the part of NWGGA to perform such duties for the Department, as herein specified. This obligation shall survive the expiration or termination of this Agreement.

e. The books of account, files, and other records of NWGGA which are applicable to this Agreement shall be available for inspection, review, and audit by the Department and its representatives to
determine the proper application and use of all funds paid to and for the account or benefit of NWGGA.

f. NWGGA agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, NWGGA shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Department has agreed that such records no longer need to be retained.

g. NWGGA specifically agrees that funds given to NWGGA shall be used only for the projects and purposes enumerated herein, and further acknowledges that expenditures shall not be used for political activity.

h. Any funds paid to NWGGA under this Agreement, and not fully utilized and earned pursuant to this Agreement, during the Agreement period, shall be returned to the Department and credited to the Winery and Grape Producers Promotional Fund, unless otherwise agreed. Furthermore, if NWGGA fails to perform as outlined herein, NWGGA shall be required to repay any unearned funds received under this Agreement.

ii. This Agreement is not assignable without the express written approval of the Department.

j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

k. The relationship of the Department and NWGGA, under this Agreement, shall be that of principal and independent contractor. It is understood by both the Department and NWGGA that NWGGA is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.

l. All provisions of this Agreement are subject to the Americans with Disabilities Act.

m. NWGGA guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.

n. NWGGA is required, and hereby agrees, to use a federal immigration verification system to determine the work eligibility
status of new employees physically performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1998, U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security, or other federal agency authorized to verify the work eligibility status of a newly hired employee.

o. This contract becomes valid upon the date of the final signature.

Approved:

NEBRASKA DEPARTMENT OF AGRICULTURE

______________________________  Greg Ibach, Director

Date

NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION

______________________________  R. Thomas Zumpfe, President

Date

S:\AGD_WP\casey\Winery Board\2010-2011 Reports\Contracts\nwggacontract-passportprogram112010.doc
AGREEMENT

between

NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-121

This Agreement, entered into by and between the Nebraska Winery and Grape Growers’ Association, hereinafter called the “NWGGA,” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the funding from the Nebraska Grape and Winery Board to NWGGA to fund an educational program on grapevine nutrition to assist in the betterment of Nebraska’s grape and wine industry.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to NWGGA;

WHEREAS, the promotional activities conducted by NWGGA will greatly assist the Nebraska grape and winery industry;

WHEREAS, both parties hereto desire to enter into this Agreement in order to further promote Nebraska’s grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approved two thousand seven hundred forty-five dollars ($2,745) from the Winery and Grape Producers Promotional Fund to fund an educational program on monitoring grapevine nutrition to help Nebraska grape growers determine the nutrient needs of established vine plantings.

   The goals of this project are to:
a. Provide Nebraska grape growers with the necessary education and hands-on field experience to enable them to determine the nutrient needs of their established vine plantings;

b. Help guide nutrition management decisions to maintain a healthy, productive, sustainable vineyard and potentially reduce fertilizer costs by applying them only as needed; and

c. Increase the number of growers who are successfully utilizing soil tests and tissue (petiole) analysis in their vineyard practices.

An amount of up to two thousand seven hundred forty-five dollars ($2,745) will be used to pay for handouts, facility fees, supplies, and a consultant’s time, travel costs, meals, and lodging expenses.

2. Duration of Agreement. This Agreement shall be in force and effective from July 1, 2010, to June 30, 2011.

3. The Department agrees to provide the funds, as set out in Paragraph 1, from the Winery and Grape Producers Promotional Fund. Payment will be payable, in full, upon both parties signing this agreement and NWGGA incurring an obligation. NWGGA shall present invoices to the Department from which payments shall be made.

4. NWGGA shall provide a written final report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and the use of funds, will be made public by the Nebraska Grape and Winery Board.

5. Funding for this project is subject to legislative appropriations and funding being available. Any unused funds shall be refunded to the Department and credited back to the Winery and Grape Producers Promotional Fund.

6. After the Agreement begins, it is understood that, if additional costs should be incurred, with the mutual written consent of all parties to this Agreement, and provided resources are available, this Agreement may be amended.

7. NWGGA shall utilize funds provided by the Department to conduct the duties called for in this Agreement. Department funds collected from a checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.
8. The parties mutually agree as follows:

a. NWGGA shall:

   (1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

   (2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

   It is further understood and agreed that, if NWGGA is in violation of this clause, it shall be barred forthwith from receiving further funds unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party of the Agreement to be valid.

c. NWGGA agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:

   (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the NWGGA workplace;

   (5) The specific actions that will be taken against employees for violating the policy; and

   (6) A requirement that each employee shall receive a copy of the policy.

d. NWGGA shall indemnify and hold harmless the Department from any and all claims and liabilities, including costs and legal fees that may arise out of, or on account of, any failure on the part of NWGGA to perform such duties for the Department, as herein specified. This obligation shall survive the expiration or termination of this Agreement.

e. The books of account, files, and other records of NWGGA, which are applicable to this Agreement, shall be available for inspection, review, and audit by the Department and its representatives to
determine the proper application and use of all funds paid to and for
the account or benefit of NWGGA.

f. NWGGA agrees to maintain all books, documents, papers, or other
records involving transactions related to this Agreement for a period
of five (5) years. If any litigation or audit is begun or a claim is
instituted involving the Agreement, NWGGA shall retain the records
beyond the five (5) year period until litigation, audit findings, or any
claims have been fully resolved and the Department has agreed
that such records no longer need to be retained.

g. NWGGA specifically agrees that funds given to NWGGA shall be
used only for the projects and purposes enumerated herein, and
further acknowledges that expenditures shall not be used for
political activity.

h. Any funds paid to NWGGA under this Agreement, and not fully
utilized and earned pursuant to this Agreement during the
Agreement period, shall be returned to the Department and
credited to the Winery and Grape Producers Promotional Fund,
unless otherwise agreed. Furthermore, if NWGGA fails to perform
as outlined herein, NWGGA shall be required to repay any
unearned funds received under this Agreement.

i. This Agreement is not assignable without the express written
approval of the Department.

j. This Agreement may be terminated by either of the parties hereto
at any time by giving thirty (30) days advance written notice to the
other party.

k. The relationship of the Department and NWGGA, under this
Agreement, shall be that of principal and independent contractor. It
is understood by both the Department and NWGGA that NWGGA is
not an employee of the Department. It is understood that the
Department assumes no responsibility beyond those specifically
stated in this Agreement.

l. All provisions of this Agreement are subject to the Americans with
Disabilities Act.

m. NWGGA guarantees payment of compensation to injured workers
according to the Nebraska Workers Compensation Act.

n. NWGGA is required, and hereby agrees, to use a federal
immigration verification system to determine the work eligibility of
new employees physically performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1998, U.S.C. 1234a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security, or other federal agency authorized to verify the work eligibility status of a newly hired employee.

o. This contract becomes valid upon the date of the final signature.

Approved:

NEBRASKA DEPARTMENT OF AGRICULTURE

______________________________
Date

Greg Ibach, Director

NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION

______________________________
Date

R. Thomas Zumpfe, President

S:\AGD_WP\casey\Winery Board\2010-2011 Reports\nwggacontract-nutritionproject_070110.doc
AGREEMENT

between

BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-122

This Agreement, entered into by and between the Board of Regents of the University of Nebraska, hereinafter called the “Viticulture Program,” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the funding from the Nebraska Grape and Winery Board funds toward Viticulture Program research activities to assist in the betterment of Nebraska’s grape and wine industry.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving the fact that the Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to the Viticulture Program;

WHEREAS, the research activities conducted by the Viticulture Program will greatly assist the Nebraska grape and winery industry; and

WHEREAS, both parties hereto desire to enter into this Agreement in order to further promote Nebraska’s grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approve forty-seven thousand seven hundred eighteen dollars ($47,718) from the Winery and Grape Producers Promotional Fund to pay for the viticulture technologist’s salary, student hourly labor, fertilizers, chemicals, vineyard supplies, planting stock, drip irrigation, travel expenses, and fuel and vehicle rental costs involved in oversight and implementation of Viticulture Program activities. These studies are continuous from one year to the next. Like previous years, they will consist of:
a. Cultivar and new genotype evaluation;

b. Multi-state project evaluating performance of a common set of grape cultivars in multiple locations;

c. Studies of trellis construction systems and new cultivar performance;

d. Evaluation of cold-hardiness, spring bud-break, and cold temperature damage prevention and management;

e. Potential efficacy of chemical and physical treatments on seedless table grape vines to delay spring bud break;

f. Investigation of high pH-induced chlorosis problems;

g. Research to determine the number of Growing Degree Days (GDD) required for specific cultivars to reach bud break and the GDD number between bud break and harvest;

h. Disease and insect management;

i. Reduced pesticide input;

j. Sustainable and potentially organic grape production projects;

k. Vineyard floor management;

l. Mulches; and

m. Cover crop selection.

2. The overall goal of the Viticulture Program is to provide science-based research information that will assist the development of the Nebraska grape and wine industry in a sustainable and profitable manner, thus, enhancing the economic viability of Nebraska communities.

3. Duration of Agreement: This Agreement shall be in force and effective from July 1, 2010, to June 30, 2011.

4. The Department agrees to provide the funds as set out above from the Winery and Grape Producers Promotional Fund.

5. Payment in the amount of twenty-three thousand eight hundred fifty-nine dollars ($23,859) from the Winery and Grape Producers Promotional Fund will be advanced to the Viticulture Program upon both parties signature to
this Agreement. The remaining twenty-three thousand eight hundred fifty-nine dollars ($23,859) will be paid to the Viticulture Program after incurring an obligation. The Viticulture Program shall present Interagency Billing Transaction (IBT) invoices to the Department from which payments shall be made. Failure to submit IBTs prior to June 30, 2011, will result in nonpayment.

6. The Viticulture Program shall provide a written final report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and the use of funds, will be made public by the Nebraska Grape and Winery Board.

7. Funding for this project is subject to legislative appropriations and funding being available.

8. It is understood that, after the Agreement begins, if additional costs would be incurred, with the mutual written consent of all parties and, provided resources are available, this Agreement may be amended.

9. The Viticulture Program shall utilize funds provided by the Department to conduct the duties called for in this Agreement. Department funds collected from a checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.

10. The parties mutually agree as follows:

a. The Viticulture Program shall:

(1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

(2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

It is further understood and agreed that, if the Viticulture Program is in violation of this clause, it shall be barred forthwith from receiving further funds, unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party to be valid.
c. The Viticulture Program agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:

(1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the Viticulture Program workplace;

(2) The specific actions that will be taken against employees for violating the policy; and

(3) A requirement that each employee receives a copy of the policy.

d. To the extent allowed by Nebraska law, the Viticulture Program shall indemnify and hold harmless the Department from any and all claims and liabilities, including costs and legal fees that may arise out of, or on account of, any failure on the part of the Viticulture Program to perform such duties for the Department, as herein specified to the extent allowed by Nebraska law. This obligation shall survive the expiration or termination of this Agreement.

e. The books of account, files, and other records of the Viticulture Program, which are applicable to this Agreement, shall be available for inspection, review, and audit by the Department and its representatives to determine the proper application and use of all funds paid to, and for the account or benefit of the Viticulture Program.

f. The Viticulture Program agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, the Viticulture Program shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Department has agreed that such records no longer need to be retained.

g. The Viticulture Program, specifically, agrees that funds given to the Viticulture Program shall be used only for the projects and purposes enumerated herein and further acknowledges that expenditures shall not be used for political activity.

h. Any funds paid to the Viticulture Program under this Agreement, and not fully utilized and earned, pursuant to this Agreement during the Agreement period, shall be returned to the Department and credited to the Winery and Grape Producers Promotional Fund,
unless otherwise agreed. Furthermore, if the Viticulture Program fails to perform as outlined herein, the Viticulture Program shall be required to repay any unearned funds received under this Agreement.

i. This Agreement is not assignable without the express written approval of the Department.

j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

k. The relationship of the Department and the Viticulture Program, under this Agreement, shall be that of principal and independent contractor. It is understood by both the Department and the Viticulture Program that the Viticulture Program is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.

l. All provisions of this Agreement are subject to the Americans with Disabilities Act.

m. The Viticulture Program guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.

n. This contract becomes valid upon the date of the final signature.

Approved:

NEBRASKA DEPARTMENT OF AGRICULTURE

Greg Ibach, Director

BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA

Jeanne Wicks, Director

S:\AGD_WP\casey\Winery Board\2010-2011 Reports\Contracts\unlviticultarecontract070110.doc
AGREEMENT

between

MAC’S CREEK VINEYARD AND WINERY

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-123

This Agreement entered into by and between Mac’s Creek Vineyard and Winery, hereinafter called the “Vineyard” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the funding from the Nebraska Grape and Winery Board to the Vineyard to conduct an ozone research project in an effort to assist in the betterment of Nebraska’s grape and wine industry.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to the Vineyard for a study of grapevine cold hardiness;

WHEREAS, the research activities conducted by the Vineyard will greatly assist the Nebraska grape and winery industry; and

WHEREAS, both parties hereto desire to enter into this Agreement in order to further enhance Nebraska’s grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approved six thousand ninety-two dollars ($6,092) from the Winery and Grape Producers Promotional Fund to assist the Vineyard in investigating the feasibility of utilizing ozone technology to control viticulture diseases. Use of this technology would reduce or eliminate the application of chemicals to control such diseases.
Funds will be used to partially pay for equipment rental, consultation and project coordination, set-up of research blocks, data collection, data entry and statistical analysis.

2. Duration of Agreement: This Agreement shall be in force and effective from July 1, 2010, to June 30, 2011.

3. The Department agrees to provide the funds as set out in Paragraph 1, from the Winery and Grape Producers Promotional Fund.

4. Payment in the amount of six thousand ninety-two dollars ($6,092) from the Winery and Grape Producers Promotional Fund to the Vineyard will be payable in full upon both parties signing this Agreement and the Vineyard incurring an obligation. The Vineyard shall present invoices to the Department from which payment shall be made.

5. The Vineyard shall provide a written final report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and the use of funds, will be made public by the Nebraska Grape and Winery Board.

6. Funding for this project is subject to legislative appropriations and funding being available. Any unused funds shall be refunded to the Department and credited back to the Winery and Grape Producers Promotional Fund.

7. After the Agreement begins, it is understood that, if additional costs should be incurred, with the mutual written consent of all parties to this Agreement, and provided resources are available, this Agreement may be amended.

8. The Vineyard shall utilize funds provided by the Department only for the duties called for in this Agreement. Department funds collected from a checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.

9. The parties mutually agree as follows:

a. The Vineyard shall:

   (1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

   (2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.
It is further understood and agreed that if the Vineyard is in violation of this clause, it shall be barred forthwith from receiving further funds, unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party of the Agreement to be valid.

c. The Vineyard agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:

1. A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the Vineyard workplace;

2. The specific actions that will be taken against employees for violating the policy; and

3. A requirement that each employee shall receive a copy of the policy.

d. The Vineyard shall indemnify and hold harmless the Department from any and all claims and liabilities, including costs and legal fees that may arise out of or on account of any failure on the part of the Vineyard to perform such duties for the Department as herein specified. This obligation shall survive the expiration or termination of this Agreement.

e. The books of account, files, and other records of the Vineyard which are applicable to this Agreement, shall be available for inspection, review, and audit by the Department and its representatives to determine the proper application and use of all funds paid to, and for the account or benefit of, the Vineyard.

f. The Vineyard agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, the Vineyard shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved, and the Department has agreed that such records no longer need to be retained.

g. The Vineyard specifically agrees that funds given to the Vineyard shall be used only for the projects and purposes enumerated herein
and further acknowledges that expenditures shall not be used for political activity.

h. Any funds paid to the Vineyard under this Agreement, and not fully utilized and earned pursuant to this Agreement during the Agreement period, shall be returned to the Department and credited to the Winery and Grape Producers Promotional Fund, unless otherwise agreed. Furthermore, if the Vineyard fails to perform as outlined herein, the Vineyard shall be required to repay any unearned funds received under this Agreement.

i. This Agreement is not assignable without the express written approval of the Department.

j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

k. The relationship of the Department and the Vineyard under this Agreement shall be that of principal and independent contractor. It is understood by both the Department and the Vineyard that the Vineyard is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.

l. All provisions of this Agreement are subject to the Americans with Disabilities Act.

m. The Vineyard guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.

n. The Vineyard is required, and hereby agrees, to use a federal immigration verification system to determine the work eligibility of new employees physically performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1998, U.S.C. 1234a, known as the E-Verify Program, or equivalent federal program designated by the United States Department of Homeland Security, or other federal agency authorized to verify the work eligibility status of a newly hired employee.

o. This contract becomes valid upon the date of the final signature.
Approved:

NEBRASKA DEPARTMENT OF AGRICULTURE

________________________

Date

Greg Ibach, Director

MAC’S CREEK VINEYARD AND WINERY

________________________

Date

Seth McFarland, Vineyard Manager

macscreekvineyards-contract070110.doc
AGREEMENT

between

SCHILLINGBRIDGE WINERY AND MICROBREWERY

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-124

This Agreement entered into by and between SchillingBridge Winery and Microbrewery, hereinafter called the “Winery” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for funding from the Nebraska Grape and Winery Board to the Winery for an activity that will increase the competitiveness and sustainability of Nebraska’s grape and wine industry.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to the Winery for a rootstock grafting project;

WHEREAS, the research activities conducted by the Winery will greatly assist the Nebraska grape and winery industry; and

WHEREAS, both parties hereto desire to enter into this Agreement in order to further enhance Nebraska’s grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approved up to one thousand five hundred sixty-five dollars ($1,565) from the Winery and Grape Producers Promotional Fund to enable the Winery to continue the conduction of the second phase of a project that explores the suitability of using existing cultivars as rootstock by grafting cultivars with greater wine grape value to mature Lacrosse and/or deChaunac vines. The funds will be used to pay for some of the costs associated with this activity, such as supplies, labor, travel, and field day expenses.
The goals of this project are as follows:

a. Evaluate the suitability of Lacrosse and/or deChaunac as rootstock cultivars. The survival rate and growth characteristics of the scion cultivars relative to re-establishing production of the vineyard will be evaluated;

b. Quantify the economic costs and benefits of this activity. The labor and other input costs associated with training the scion cultivars will also be evaluated; and

c. Provide a venue to educate Nebraska grape growers on this viticultural practice. The Winery and the UNL Viticulture Program will jointly host an educational field day for grape growers and wineries to become familiar with this management practice.

2. Up to one thousand five hundred sixty-five dollars ($1,565) from the Winery and Grape Producers Promotional Fund will partially pay for the costs associated with this project.

3. Duration of Agreement: This Agreement shall be in force and effective from July 1, 2010, to June 30, 2011.

4. The Department agrees to provide the funds, as set out in Paragraph 1, from the Winery and Grape Producers Promotional Fund.

5. Payment in the amount of up to one thousand five hundred sixty-five dollars ($1,565.00) from the Winery and Grape Producers Promotional Fund to the Winery will be payable in full upon both parties signatures to this Agreement and the Winery incurring an obligation of at least this amount. The Winery shall present an invoice(s) to the Department from which payment(s) shall be made

6. The Winery shall provide a written final report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and the use of funds, will be made public by the Nebraska Grape and Winery Board.

7. Funding for this project is subject to legislative appropriations and funding being available. Any unused funds shall be refunded to the Department and credited back to the Winery and Grape Producers Promotional Fund.

8. After the Agreement begins, it is understood that, if additional costs should be incurred, with the mutual written consent of all parties to this Agreement, and provided resources are available, this Agreement may be amended.
9. The Winery shall utilize funds provided by the Department only for the expenses associated with this project. Department funds collected from a checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.

10. The parties mutually agree as follows:

a. The Winery shall:

   (1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

   (2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

   It is further understood and agreed that, if the Winery is in violation of this clause, it shall be barred forthwith from receiving further funds, unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party of the Agreement to be valid.

c. The Winery agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug free workplace. The policy shall contain:

   (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the Winery workplace;

   (2) The specific actions that will be taken against employees for violating the policy; and

   (3) A requirement that each employee shall receive a copy of the policy.
d. The Winery shall indemnify and hold harmless the Department from any and all claims and liabilities, including costs and legal fees that may arise out of or on account of any failure on the part of the Winery to perform such duties for the Department, as herein specified. This obligation shall survive the expiration or termination of this Agreement.

e. The books of account, files, and other records of the Winery which are applicable to this Agreement, shall be available for inspection, review, and audit by the Department and its representatives to determine the proper application and use of all funds paid to, and for the account or benefit of, the Winery.

f. The Winery agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun, or a claim is instituted involving the Agreement, the Winery shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Department has agreed that such records no longer need to be retained.

g. The Winery specifically agrees that funds given to the Winery shall be used only for the projects and purposes enumerated herein and further acknowledges that expenditures shall not be used for political activity.

h. Any funds paid to the Winery under this Agreement, and not fully utilized and earned pursuant to this Agreement during the Agreement period, shall be returned to the Department and credited to the Winery and Grape Producers Promotional Fund unless otherwise agreed. Furthermore, if the Winery fails to perform as outlined herein, the Winery shall be required to repay any unearned funds received under this Agreement.

i. This Agreement is not assignable without the express written approval of the Department.

j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

k. The relationship of the Department and the Winery under this Agreement shall be that of principal and independent contractor. It is understood by both the Department and the Winery that the Winery is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.
l. All provisions of this Agreement are subject to the Americans with Disabilities Act.
m. The Winery guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.
n. The Winery is required, and hereby agrees, to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1998, U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security, or other federal agency authorized to verify the work eligibility status of a newly hired employee.
o. This contract becomes valid upon the date of the final signature.

Approved: 

NEBRASKA DEPARTMENT OF AGRICULTURE

______________________________________________
Date

Greg Ibach, Director

SCHILLINGBRIDGE WINERY AND MICROBREWERY

______________________________________________
Date

Max Hoffman, Vinter and Vineyard Manager

schillingbridge-graftingproject070110.doc
AGREEMENT
between
BART HOLMQUIST DOING BUSINESS AS NEBRASKA AMATEUR WINE CLUB
and
NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-125

This Agreement entered into by and between Bart Holmquist, doing business as the Nebraska Amateur Wine Club, hereinafter called the “Club” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the transfer of money from the Winery and Grape Producers Promotional Fund to the Club in an effort to increase the awareness, marketability, and appreciation of Nebraska wines through education, contests, and social interaction.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to the Club;

WHEREAS, the activities conducted by the Club will have a positive, significant impact on the Nebraska grape and winery industry; and

WHEREAS, both parties hereto desire to enter into this Agreement to improve and build upon Nebraska’s burgeoning grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approved up to one thousand sixty dollars ($1,060.00) from the Winery and Grape Producers Promotional Fund to establish the Club. Funds will be used to pay for consultant fees, travel expenses, marketing costs, and incidental expenses.

The goal of the Club is two-fold:
a. Perpetuate and cultivate the art of winemaking and wine appreciation in Nebraska; and

b. Draw people together who want to improve their skills in winemaking through education, contests, sharing of information, and social interaction.

2. Up to one thousand sixty dollars ($1,060.00) from the Winery and Grape Producers Promotional Fund will help pay for the costs associated with this project. Below is a breakdown of how the funds will be used.

   Consultant Fees .......................... $ 450.00
   Travel Expenses .......................... $ 170.00
   Marketing Costs .......................... $ 320.00
   Incidental Expenses ...................... $ 120.00

3. Duration of Agreement: This Agreement shall be in force and effective from July 1, 2010, to June 30, 2011.

4. The Club shall provide a written report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and the use of funds, will be made public by the Nebraska Grape and Winery Board.

5. The Department agrees to provide the funds, as set out above, from the Winery and Grape Producers Promotional Fund.

6. Payment in the amount of up to one thousand sixty dollars ($1,060.00) from the Winery and Grape Producers Promotional Fund to the Club will be payable in full upon both parties' signature to this Agreement and the Club incurring an obligation of at least this amount. The Club shall present an invoice(s) to the Department from which payment(s) shall be made.

7. Funding for this project is subject to legislative appropriations and funding being available. Any unused funds shall be refunded to the Department and credited back to the Winery and Grape Producers Promotional Fund.

8. After the Agreement begins, it is understood that, if additional costs should be incurred, with the mutual written consent of all parties to this Agreement, and provided resources are available, this Agreement may be amended.

9. The Club shall utilize funds provided by the Department only for the expenses associated with this project. Department funds collected from a
checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.

10. The parties mutually agree as follows:

a. The Club shall:

   (1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

   (2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

   It is further understood and agreed that, if the Club is in violation of this clause, it shall be barred forthwith from receiving further funds, unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party of the Agreement to be valid.

c. The Club agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug free workplace. The policy shall contain:

   (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the Club workplace;

   (2) The specific actions that will be taken against employees for violating the policy; and

   (3) A requirement that each employee shall receive a copy of the policy.

d. The Club shall indemnify and hold harmless the Department from any and all claims and liabilities, including costs and legal fees that may arise out of or on account of any failure on the part of the Club to perform such duties for the Department, as herein specified. This obligation shall survive the expiration or termination of this Agreement.
e. The books of account, files, and other records of the Club which are applicable to this Agreement, shall be available for inspection, review, and audit by the Department and its representatives to determine the proper application and use of all funds paid to, and for the account or benefit of, the Club.

f. The Club agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, the Club shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Department has agreed that such records no longer need to be retained.

g. The Club specifically agrees that funds given to the Club shall be used only for the projects and purposes enumerated herein and further acknowledges that expenditures shall not be used for political activity.

h. Any funds paid to the Club under this Agreement, and not fully utilized and earned pursuant to this Agreement during the Agreement period, shall be returned to the Department and credited to the Winery and Grape Producers Promotional Fund unless otherwise agreed. Furthermore, if the Club fails to perform as outlined herein, the Club shall be required to repay any unearned funds received under this Agreement.

i. This Agreement is not assignable without the express written approval of the Department.

j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

k. The relationship of the Department and the Club, under this Agreement, shall be that of principal and independent contractor. It is understood by both the Department and the Club that the Club is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.

l. All provisions of this Agreement are subject to the Americans with Disabilities Act.

m. The Club guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.
The Club is required, and hereby agrees, to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1998, U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security, or other federal agency authorized to verify the work eligibility status of a newly hired employee.

This contract becomes valid upon the date of the final signature.

Approved:

NEBRASKA DEPARTMENT OF AGRICULTURE

__________________________
Date

Greg Ibach, Director

BART HOLMQUIST DOING BUSINESS AS NEBRASKA AMATEUR WINE CLUB

__________________________
Date

Bart Holmquist
AGREEMENT
between
NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION
and
NEBRASKA DEPARTMENT OF AGRICULTURE
#18-13-128

This Agreement, entered into by and between the Nebraska Winery and Grape Growers’ Association, hereinafter called the “NWGGA,” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the funding from the Nebraska Grape and Winery Board funds to NWGGA to update their web site.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to NWGGA;

WHEREAS, updating the NWGGA web site will greatly assist the Nebraska grape and winery industry; and

WHEREAS, both parties hereto desire to enter into this Agreement in order to further promote Nebraska’s grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approves up to five thousand dollars ($5,000) from the Winery and Grape Producers Promotional Fund to enhance the functionality of the NWGGA web site. The primary enhancements include accepting credit card payments via the web site for event and membership fees, the inclusion of electronic newsletters, and additional membership and event management modifications.

2. The purpose of the project is to make updates and modifications to the web site in order to increase the ease by which potential and renewing
members are able to sign-up and pay for memberships. The project will also streamline the manner in which NWGGA newsletters are distributed by utilizing an electronic based format. Modifications will be made to enable better promotion of wine and grape related events across the state of Nebraska through online registration and payment of event fees.

3. The NWGGA has a contract in place with a web designer who has handled the NWGGA’s web site since the beginning of 2010.

4. **Duration of Agreement.** This Agreement shall be in force and effective from August 20, 2010, to June 30, 2011.

5. The Department agrees to provide the funds as set out above from the Winery and Grape Producers Promotional Fund.

6. Payment in the amount of up to five thousand dollars ($5,000) from the Winery and Grape Producers Promotional Fund to NWGGA will be payable in full upon both parties signing this Agreement and NWGGA incurring an obligation. NWGGA shall present invoices to the Department from which payments shall be made.

7. NWGGA shall provide a written final report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and the use of funds, will be made public by the Nebraska Grape and Winery Board.

8. Funding for this project is subject to legislative appropriations and funding being available. Any unused funds shall be refunded to the Department and credited back to the Winery and Grape Producers Promotional Fund.

9. After the Agreement begins, it is understood that, if additional costs should be incurred, with the mutual written consent of all parties to this Agreement, and provided resources are available, this Agreement may be amended.

10. NWGGA shall utilize funds provided by the Department to conduct the duties called for in this Agreement. Department funds collected from a checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.
11. The parties mutually agree as follows:

a. NWGGA shall:

(1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

(2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

It is further understood and agreed that, if NWGGA is in violation of this clause, it shall be barred forthwith from receiving further funds, unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party of the Agreement to be valid.

c. NWGGA agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:

(1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the NWGGA workplace;

(2) The specific actions that will be taken against employees for violating the policy; and

(3) A requirement that each employee shall receive a copy of the policy.

d. NWGGA shall indemnify and hold harmless the Department from any and all claims and liabilities including costs and legal fees that may arise out of, or on account of, any failure on the part of NWGGA to perform such duties for the Department, as herein specified. This obligation shall survive the expiration or termination of this Agreement.

e. The books of account, files, and other records of NWGGA which are applicable to this Agreement shall be available for inspection, review, and audit by the Department and its representatives to
determine the proper application and use of all funds paid to and for the account or benefit of NWGGA.

f. NWGGA agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, NWGGA shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Department has agreed that such records no longer need to be retained.

g. NWGGA specifically agrees that funds given to NWGGA shall be used only for the projects and purposes enumerated herein, and further acknowledges that expenditures shall not be used for political activity.

h. Any funds paid to NWGGA under this Agreement, and not fully utilized and earned pursuant to this Agreement during the Agreement period, shall be returned to the Department and credited to the Winery and Grape Producers’ Promotional Fund, unless otherwise agreed. Furthermore, if NWGGA fails to perform as outlined herein, NWGGA shall be required to repay any unearned funds received under this Agreement.

iii. This Agreement is not assignable without the express written approval of the Department.

j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

k. The relationship of the Department and NWGGA, under this Agreement, shall be that of principal and independent contractor. It is understood by both the Department and NWGGA that NWGGA is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.

l. All provisions of this Agreement are subject to the Americans with Disabilities Act.

m. NWGGA guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.
n. NWGGA is required, and hereby agrees, to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1998, U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security, or other federal agency authorized to verify the work eligibility status of a newly hired employee.

o. This Agreement becomes valid upon the date of the final signature.

Approved:  

NEBRASKA DEPARTMENT OF AGRICULTURE

_____________________________  ________________________________
Date  Greg Ibach, Director  

NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION

_____________________________  ________________________________
Date  Jason Hayes, Executive Director
AGREEMENT
between
NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION
and
NEBRASKA DEPARTMENT OF AGRICULTURE
#18-13-147

This Agreement, entered into by and between the Nebraska Winery and Grape Growers’ Association, hereinafter called the “NWGGA,” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the funding from the Nebraska Grape and Winery Board to NWGGA to initiate the development of a statewide Wine Quality Assurance Program to assist in the betterment of Nebraska’s grape and wine industry.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to NWGGA;

WHEREAS, the promotional activities conducted by NWGGA will greatly assist the Nebraska grape and winery industry;

WHEREAS, both parties hereto desire to enter into this Agreement in order to further promote Nebraska’s grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approved up to twelve thousand dollars ($12,000) from the Winery and Grape Producers Promotional Fund to initiate the development of a statewide Wine Quality Assurance Program administered by a consultant and developed in consultation with NWGGA member wineries.
The objective of this project is to provide wineries with follow-up to wine quality analysis. This will include appropriate educational opportunities, workshops, and resources to assist wineries in addressing problems that are resulting in wine flaws. Up to twelve thousand dollars ($12,000) will be used to pay for these expenses.

2. **Duration of Agreement.** This Agreement shall be in force and effective from July 1, 2010, to June 30, 2011.

3. The Department agrees to provide the funds, as set out in Paragraph 1, from the Winery and Grape Producers Promotional Fund. Payment will be payable, in full, upon both parties signing this agreement and NWGGA incurring an obligation. NWGGA shall present invoices to the Department from which payments shall be made.

4. NWGGA shall provide a written final report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and the use of funds, will be made public by the Nebraska Grape and Winery Board.

5. Funding for this project is subject to legislative appropriations and funding being available. Any unused funds shall be refunded to the Department and credited back to the Winery and Grape Producers Promotional Fund.

6. After the Agreement begins, it is understood that, if additional costs should be incurred, with the mutual written consent of all parties to this Agreement, and provided resources are available, this Agreement may be amended.

7. NWGGA shall utilize funds provided by the Department to conduct the duties called for in this Agreement. Department funds collected from a checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.

8. The parties mutually agree as follows:

   a. NWGGA shall:

      (1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

      (2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.
It is further understood and agreed that, if NWGGA is in violation of this clause, it shall be barred forthwith from receiving further funds unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party of the Agreement to be valid.

c. NWGGA agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:

   (1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the NWGGA workplace;

   (6) The specific actions that will be taken against employees for violating the policy; and

   (7) A requirement that each employee shall receive a copy of the policy.

d. NWGGA shall indemnify and hold harmless the Department from any and all claims and liabilities, including costs and legal fees that may arise out of, or on account of, any failure on the part of NWGGA to perform such duties for the Department, as herein specified. This obligation shall survive the expiration or termination of this Agreement.

e. The books of account, files, and other records of NWGGA, which are applicable to this Agreement, shall be available for inspection, review, and audit by the Department and its representatives to determine the proper application and use of all funds paid to and for the account or benefit of NWGGA.

f. NWGGA agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, NWGGA shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Department has agreed that such records no longer need to be retained.

g. NWGGA specifically agrees that funds given to NWGGA shall be used only for the projects and purposes enumerated herein, and
further acknowledges that expenditures shall not be used for political activity.

h. Any funds paid to NWGGA under this Agreement, and not fully utilized and earned pursuant to this Agreement during the Agreement period, shall be returned to the Department and credited to the Winery and Grape Producers Promotional Fund, unless otherwise agreed. Furthermore, if NWGGA fails to perform as outlined herein, NWGGA shall be required to repay any unearned funds received under this Agreement.

iv. This Agreement is not assignable without the express written approval of the Department.

j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

k. The relationship of the Department and NWGGA, under this Agreement, shall be that of principal and independent contractor. It is understood by both the Department and NWGGA that NWGGA is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.

l. All provisions of this Agreement are subject to the Americans with Disabilities Act.

m. NWGGA guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.

n. NWGGA is required, and hereby agrees, to use a federal immigration verification system to determine the work eligibility of new employees physically performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1998, U.S.C. 1234a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security, or other federal agency authorized to verify the work eligibility status of a newly hired employee.

o. This contract becomes valid upon the date of the final signature.
Approved: NEBRASKA DEPARTMENT OF AGRICULTURE

Date Greg Ibach, Director

NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION

Date R. Thomas Zumpfe, President

S:\AGD_WP\casey\Winery Board\2010-2011 Reports\Contracts\nwggcontract-winequalityprogram112010.doc
FIRST AMENDMENT TO AGREEMENT

BETWEEN

NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION

AND

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-147

The Agreement between the above parties for the period of July 1, 2010, through June 30, 2011, is hereby amended as follows:

Page 1, paragraph number 1, shall be amended to read:

1. The Nebraska Grape and Winery Board approved up to twelve thousand dollars ($12,000) from the Winery and Grape Producers Promotional Fund to initiate the development of a statewide Wine Quality Assurance Program administered by a consultant and developed in consultation with NWGGA member wineries. The objectives of this project are two-fold.

   a. The first objective is to provide a promotional incentive to licensed farm wineries in Nebraska to help offset and defray the costs directly associated with the submission of their wines for professional evaluation. This evaluation is to determine wine quality as opposed to stylistic evaluation. A threshold will be determined to indicate that a wine is sound and fault-free. Wine flaws will be identified and recommendations will be made to individual wineries.

   b. If time allows, the second objective is to provide the participating wineries with a follow-up to their wine quality analyses. This will include appropriate educational opportunities, workshops, and resources to assist wineries in addressing problems that are resulting in wine flaws.
Up to twelve thousand dollars ($12,000) will be used to pay for any and all costs associated with either or both objectives.

Approved:

NEBRASKA DEPARTMENT OF AGRICULTURE

__________________________
Date
Greg Ibach, Director
Nebraska Department of Agriculture

NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION

__________________________
Date
Richard Hilske, President

S:\AGD_WP\casey\WineryBoard\2010-2011 Reports\Contracts\nwgacontract-winequalityprogram112010-amendment.doc
AGREEMENT

between

NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-148

This Agreement, entered into by and between the Nebraska Winery and Grape Growers’ Association, hereinafter called the “NWGGA,” and the Nebraska Department of Agriculture, hereinafter called the “Department,” provides for the funding from the Nebraska Grape and Winery Board to NWGGA for viticulture and enology education.

WHEREAS, it has been proven that high-quality wine grapes and wines can be produced in Nebraska;

WHEREAS, numerous awards have been won by Nebraska wineries at many of the most prestigious wine competitions, proving Nebraska wineries can produce wines meeting local favor and receiving national acclaim;

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed the Department to provide funds to NWGGA;

WHEREAS, the promotional activities conducted by NWGGA will greatly assist the Nebraska grape and winery industry;

WHEREAS, both parties hereto desire to enter into this Agreement in order to further promote Nebraska’s grape and wine industry.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties hereto that:

1. The Nebraska Grape and Winery Board approved up to four thousand five hundred dollars ($4,500) from the Winery and Grape Producers Promotional Fund to NWGGA to pay for registration costs associated with a two-credit on-line viticulture or enology course conducted through the Des Moines Area Community College (DMACC).
Funds used to offset these costs will provide an incentive for individuals interested or involved in the industry to enroll in this on-line course to increase their overall knowledge of the latest techniques and innovations for grape and wine production within the state of Nebraska. Participation in this course will help improve the competitiveness and betterment of Nebraska’s grape and wine industry.

The goal of this program is to enhance the collective knowledge in the grape and wine production industries within the state of Nebraska. It is anticipated that the on-line course applicants will collectively impute their knowledge to fellow co-workers, thereby increasing the overall impact of the program.

2. **Duration of Agreement.** This Agreement shall be in force and effective from November 20, 2010, to June 30, 2011.

3. The Department agrees to provide the funds as set out in Paragraph 1, from the Winery and Grape Producers Promotional Fund.

4. Payment in the amount of up to four thousand five hundred dollars ($4,500) from the Winery and Grape Producers Promotional Fund to NWGGA will be payable in full upon both parties signing this Agreement and NWGGA incurring an obligation. NWGGA shall present invoices to the Department from which payments shall be made.

5. NWGGA shall provide a written final report to the Department within ninety (90) days after the Agreement has expired. The report, which shall describe the results of the project and the use of funds, will be made public by the Nebraska Grape and Winery Board.

6. Funding for these projects are subject to legislative appropriations and funding being available. Any unused funds shall be refunded to the Department and credited back to the Winery and Grape Producers Promotional Fund.

7. After the Agreement begins, it is understood that, if additional costs should be incurred, with the mutual written consent of all parties to this Agreement, and provided resources are available, this Agreement may be amended.

8. NWGGA shall utilize funds provided by the Department to conduct the duties called for in this Agreement. Department funds collected from a checkoff fee paid by the industry are not to be used to pay administrative or indirect costs.

9. The parties mutually agree as follows:
a. NWGGA shall:

(1) Not discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

(2) Not discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, or qualified disability.

It is further understood and agreed that, if NWGGA is in violation of this clause, it shall be barred forthwith from receiving further funds, unless a satisfactory showing is made indicating discriminatory practices have terminated and a recurrence of such act or action is unlikely.

b. This Agreement incorporates the complete understanding of the parties. Any modification of the Agreement shall be in writing and executed by each party of the Agreement to be valid.

c. NWGGA agrees to have in force, during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain:

(1) A statement notifying employees that the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited in the NWGGA workplace;

(2) The specific actions that will be taken against employees for violating the policy; and

(3) A requirement that each employee shall receive a copy of the policy.

d. NWGGA shall indemnify and hold harmless the Department from any and all claims and liabilities including costs and legal fees that may arise out of, or on account of, any failure on the part of NWGGA to perform such duties for the Department, as herein specified. This obligation shall survive the expiration or termination of this Agreement.

e. The books of account, files, and other records of NWGGA which are applicable to this Agreement shall be available for inspection, review, and audit by the Department and its representatives to determine the proper application and use of all funds paid to and for the account or benefit of NWGGA.
f. NWGGA agrees to maintain all books, documents, papers, or other records involving transactions related to this Agreement for a period of five (5) years. If any litigation or audit is begun or a claim is instituted involving the Agreement, NWGGA shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Department has agreed that such records no longer need to be retained.

g. NWGGA specifically agrees that funds given to NWGGA shall be used only for the projects and purposes enumerated herein, and further acknowledges that expenditures shall not be used for political activity.

h. Any funds paid to NWGGA under this Agreement, and not fully utilized and earned pursuant to this Agreement, during the Agreement period, shall be returned to the Department and credited to the Winery and Grape Producers Promotional Fund, unless otherwise agreed. Furthermore, if NWGGA fails to perform as outlined herein, NWGGA shall be required to repay any unearned funds received under this Agreement.

i. This Agreement is not assignable without the express written approval of the Department.

j. This Agreement may be terminated by either of the parties hereto at any time by giving thirty (30) days advance written notice to the other party.

k. The relationship of the Department and NWGGA, under this Agreement, shall be that of principal and independent contractor. It is understood by both the Department and NWGGA that NWGGA is not an employee of the Department. It is understood that the Department assumes no responsibility beyond those specifically stated in this Agreement.

l. All provisions of this Agreement are subject to the Americans with Disabilities Act.

m. NWGGA guarantees payment of compensation to injured workers according to the Nebraska Workers Compensation Act.

n. NWGGA is required, and hereby agrees, to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the state of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program
authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1998, U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security, or other federal agency authorized to verify the work eligibility status of a newly hired employee.

o. This contract becomes valid upon the date of the final signature.

Approved:

NEBRASKA DEPARTMENT OF AGRICULTURE

Date

Greg Ibach, Director

NEBRASKA WINERY AND GRAPE GROWERS’ ASSOCIATION

Date

R. Thomas Zumpfe, President

S:\AGD_WP\casey\Winery Board\2010-2011 Reports\Contracts\nwggcontract-DMACC112010.doc
BYLAWS
BYLAWS

ARTICLE I. AUTHORITY

This organization, its purpose, procedures, and regulations are established pursuant to Neb. Rev. Stat. §§53-301 through 53-305.

ARTICLE II. NAME and LOCATION

The name of this organization shall be the Nebraska Grape and Winery Board, hereinafter referred to as the “Board.” The principal business office of the Board shall be located at the Nebraska Department of Agriculture, P.O. Box 94947, 301 Centennial Mall South, Lincoln, Nebraska 68509.

ARTICLE III. PURPOSE

The purpose of the Board shall be to further the growth and economic development of the grape-growing and wine-making industry in the state of Nebraska to a maximum level as supported by the favorable soil and climatic conditions existing in Nebraska; and to satisfy the market demand for grapes and wine inside and outside of Nebraska. The end objective being to create an economically viable alternative farm crop and wine industry in Nebraska that will enhance the economic condition of the farm industry, in specific, and the state of Nebraska in general.

ARTICLE IV. MEMBERSHIP

Section 1. The Board shall consist of:

A. Five (5) members to be appointed by the Governor on a nonpartisan basis;
B. Nebraska Department of Agriculture Director, or designee, who shall have rights of membership except the right to vote; and
C. Vice Chancellor, University of Nebraska Institute of Agriculture, and Natural Resources, or designee, who shall have rights of membership except the right to vote.

Section 2. Board members shall be:

A. Citizens of Nebraska;
B. Twenty-one (21) years of age or older; and
C. Engaged in, or previously engaged in, wine or grape production or research in this field in Nebraska.

Section 3. At least two (2) Board members shall be members of the Nebraska Winery and Grape Growers’ Association.
Section 4. Board members shall serve a term of three (3) years or until their successor is appointed.

Section 5. Vacancies in the Board resulting from resignation, nonperformance of duties, death, or other cause, shall be filled by appointment of the Governor.

ARTICLE V. OFFICERS

Section 1. The elected officers of the Board shall be:

A. Chairman;
B. Vice-Chairman;
C. Secretary/Treasurer;
D. Other officers as the Board deems necessary to carry out the duties and responsibilities of the Board.

Section 2. Officers shall be elected from the members of the Board annually, following the appointment of members to fill expired terms, at the first meeting of the calendar year.

Section 3. The election of officers requires a majority vote of the Board.

Section 4. The term of office shall be for one (1) year or until the election of their successor.

Section 5. Any officer may be removed from office for due cause by a two-thirds vote of the voting members of the Board.

Section 6. Officer duties shall include:

A. The Chairman shall:
   1. Preside at all meetings of the Board; and
   2. Perform all duties normally expected of this office and as may be assigned by the Board.

B. The Vice-Chairman shall:
   1. Assume full powers and authority as accorded the chairman in the absence of that officer; and
   2. Perform all duties normally expected of this office and as may be assigned by the Board or the Chairman.

C. The Secretary/Treasurer shall:
   1. Record the official minutes of all regular and special Board meetings;
   2. Give public notice of all regular and special Board meetings in accordance with applicable state laws;
   3. Prepare and circulate the Board meeting agendas as established by the Chairman;
4. Serve as the primary liaison between the Board and the Department of Agriculture in all financial matters; and
5. Be responsible for preparing the Annual Financial Report for the approval of the Board.

ARTICLE VI. MEETINGS

Section 1. Meetings of the Board shall be held at its principal office in Lincoln, Nebraska, but may be held elsewhere if the notice of the meeting, or the waiver of such notice, so provides.

Section 2. Regular meetings of the Board shall be held on a biannual basis at such time and place as may be determined by the Board at its previous meeting.

Section 3. Special meetings of the Board may be called at the request of the Chairman or by any three (3) Board members.
   A. Notice of special meetings shall state the purpose of the meeting.
   B. Notice of special meetings shall be publicly advertised as required by state law.

Section 4. A majority of the voting members of the Board shall constitute a quorum. In the absence of a quorum, those present may recess or adjourn to a later date, but may not transact any business for the Board.

ARTICLE VII. POWERS AND RESPONSIBILITIES OF THE BOARD

Section 1. The Board shall:
   A. Function in an advisory capacity to the Nebraska Department of Agriculture and the Nebraska Liquor Control Commission.
   B. Elect officers and keep minutes of meetings and other books and records which will clearly reflect all of the acts and transactions of the Board, and to make these records available for examination upon request to members of the public.
   C. Authorize and approve the Department of Agriculture’s expenditure of funds collected pursuant to Neb. Rev. Stat. §53-304 (LB 477).
   F. Establish a public forum whereby any producer of wine, grapes, or other wine-producing agricultural products has the opportunity, at least once annually, to discuss the Board’s policies and procedures at a Board meeting.
   G. Participate in regional, state, national, and international activities with organizations which have, as their objective, developing new and better grape varieties suitable for growing in Nebraska.
   H. Provide current research data conducted by, or for, the Board to grape
growers and vintners in Nebraska and to persons considering entering into grape-growing within the state.

I. Participate in the development of research projects to improve wine making methods utilizing new and old grape varieties grown in Nebraska.

J. Develop and participate in studies, programs, research, and the dissemination of information and data pertaining to sales, promotion, and the effective distribution of Nebraska wines.

K. Serve as an advisory panel to the Nebraska Liquor Control Commission in all matters pertaining to the wine industry.

Section 7. Members of the Board shall serve without compensation except that voting Board members shall be reimbursed for their actual and necessary expenses as provided for in Neb. Rev. Stat. §§81-1174 to 81-1177.

A. Reimbursement, as allowed, shall include attendance at meetings of the Board;

B. Reimbursement, as allowed, shall include the expense of engaging in the performance of official responsibilities as determined by the Board; and

C. All expenses shall be approved by a majority of the members of the Board.

Section 8. The Board shall not be responsible, collectively or individually, in any manner whatsoever, to any person or persons for errors in judgment, mistake, or other acts of commission or omission except for their own individual and personal acts of dishonesty or other acts of a criminal nature.

A. No member shall be held responsible, individually or collectively, for the criminal act or default of any other Board member.

B. Any liability of an individual Board member shall be separate and not joint.

ARTICLE VIII: COMMITTEES

The Chairman of the Board shall establish committees and designate committee members contingent upon approval by the Board.

ARTICLE IX: PARLIAMENTARY AUTHORITY

All meetings shall be conducted within the general rules set forth in the current edition of Roberts Rules of Order, Newly Revised.

ARTICLE X: AMENDMENT

The Board may repeal or amend these Bylaws, or any part thereof, by a two-thirds (b) vote of the Board in presence of a quorum, after ten (10) days written notice of the proposed changes in the Bylaws. In the alternative, such amendments may be requested by mail ballot and will become effective if two-thirds (b) return an affirmative vote on the proposed bylaws changes.

ADOPTED: November 2, 2001
Grapebylaws062001
STATUTES
NEBRASKA GRAPE AND WINERY BOARD

Administration: These statutes create the Nebraska Grape and Winery Board. That Board is given certain duties under these statutes. For administrative purposes, a fund is located in the Nebraska Department of Agriculture. The money in this fund is to be used by the Nebraska Department of Agriculture at the direction of and in cooperation with the board to develop programs that promote the wine industry in Nebraska. See also section 53-123.15 and sections 2-5601 through 2-5605 for information about statutes that provide money for the fund.

Adoption: The provisions of these statutes were last revised during the 2007 session of the Nebraska Legislature. This reproduction was prepared following that session.

Rules: The board is given authority to adopt and promulgate regulations, however, none have yet been developed.

INDEX

<table>
<thead>
<tr>
<th>Section</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>53-301</td>
<td>Nebraska Grape and Winery Board; created.</td>
</tr>
<tr>
<td>53-302</td>
<td>Board; officers; terms; expenses.</td>
</tr>
<tr>
<td>53-303</td>
<td>Board; powers and duties.</td>
</tr>
<tr>
<td>53-304</td>
<td>Winery; payments required; Winery and Grape Producers’ Promotional Fund; created; use; investment.</td>
</tr>
<tr>
<td>53-305</td>
<td>Board; annual report.</td>
</tr>
</tbody>
</table>

53-301. **Nebraska Grape and Winery Board; created.** (1) The Nebraska Grape and Winery board is created. The board shall consist of five members to be appointed by the Governor on a nonpartisan basis. All board members shall be (a) citizens of Nebraska, (b) at least twenty-one years of age, and (c) either engaged in or previously engaged in wine or grape production or research in this state. At least two board members shall be members of the Nebraska Winery and Grape Growers Association. In addition, the Director of Agriculture and the vice chancellor of the University of Nebraska Institute of Agriculture and Natural Resources or their designees shall be ex officio members of the board but shall have no vote in board matters.

(2) Whenever a vacancy occurs on the board for any reason, the Governor shall appoint an individual to fill such vacancy pursuant to the qualifications set forth in subsection (1) of this section.

53-302. **Board; officers; terms; expenses.** (1) Within thirty days after the appointment of the initial members of the Nebraska Grape and Winery Board, such board shall conduct its first regular meeting. During that meeting, the board members shall elect from among themselves, by majority vote, a chairperson, vice-chairperson, secretary, and treasurer, all to serve for terms
of one year from the date of election. Subsequent board meetings shall take place at least once every six months and at such times as called by the chairperson or by any three board members.

(2) Each board member shall serve for a term of three years, upon completion of which he or she may, at the Governor's discretion, be reappointed.

(3) All voting board members shall be reimbursed for their actual and necessary expenses, as provided for in sections 81-1174 to 81-1177, while attending meetings of the board or while engaged in the performance of official responsibilities as determined by the board.

(4) A board member shall be removable by the Governor for cause. The board member shall first be given a written copy of the charges against him or her and also an opportunity to be heard publicly. In addition to all other causes, the failure of a board member to continue to meet any of the requirements for eligibility set out in section 53-301 shall be deemed sufficient cause for removal from office.

53-303. Board; powers and duties. The duties and responsibilities of the Nebraska Grape and Winery Board include, but are not limited to, the following:

(1) To establish a public forum whereby any producer of wine, grapes, or other wine-producing agricultural products has the opportunity, at least once annually, to discuss with the board its policy and procedures;

(2) To keep minutes of its meetings and other books and records which will clearly reflect all of the acts and transactions of the board and to make these records available for examination upon request by members of the public;

(3) To authorize and approve the Department of Agriculture's expenditure of funds collected pursuant to section 53-304;

(4) To serve as an advisory panel to the Nebraska Liquor Control Commission in all matters pertaining to the wine industry; and

(5) To adopt and promulgate rules and regulations to carry out sections 53-301 to 53-305.

53-304. Winery; payments required; Winery and Grape Producers' Promotional Fund; created; use; investment.

Each Nebraska winery shall pay to the Nebraska Liquor Control Commission twenty dollars for every one hundred sixty gallons of juice produced or received by its facility. Gifts, grants, or bequests may be received for the support of the Nebraska Grape and Winery board. Funds paid pursuant to the charge imposed by this section and funds received pursuant to subsection (4) of section 53-123.15 and from gifts, grants, or bequests shall be remitted to the State Treasurer for credit to the Winery and Grape Producers' Promotional Fund which is hereby created. For administrative purposes, the fund shall be located in the Department of Agriculture. All revenue credited to the fund pursuant to the charge imposed by this section and excise taxes collected pursuant to section 2-5603 and any funds received as gifts, grants, or bequests and credited to the fund shall be used by the department, at the direction of and in
cooperation with the board, to develop and maintain programs for the research and advancement of the growing, selling, marketing, and promotion of grapes, fruits, berries, honey, and other agricultural products and their byproducts grown and produced in Nebraska for use in the wine industry. Such expenditures may include, but are not limited to, all necessary funding for the employment of experts in the fields of viticulture and enology, as deemed necessary by the board, and programs aimed at improving the promotion of all varieties of wines, grapes, fruits, berries, honey, and other agricultural products and their byproducts grown and produced in Nebraska for use in the wine industry.

Funds credited to the fund shall be used for no other purposes than those stated in this section and any transfers authorized pursuant to section 2-5604. Any funds not expended during a fiscal year may be maintained in the fund for distribution or expenditure during subsequent fiscal years. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

53-305. Board; annual report. The Nebraska Grape and Winery Board shall make and publish an annual report on or before January 1 of each year, which report shall set forth in detail the following:

(1) The name and address of each board member and a copy of all rules and regulations adopted and promulgated by the board; and

(2) A detailed explanation of all programs for which the board approved funding that fiscal year, pursuant to section 53-304, for the research, discovery, promotion, and development of programs for the growing, production, and marketing of Nebraska wines, grapes, fruits, berries, honey, and other agricultural products and their byproducts grown and produced in Nebraska for use in the wine industry.

Each annual report shall be presented to the Nebraska Liquor Control Commission within thirty days after its publication and made available also to any person who requests a copy. Except for the annual copy required by this section to be provided to the commission, the board may charge a nominal fee to cover the costs of printing and postage for making available copies of its annual reports.
NEBRASKA GRAPE EXCISE TAX STATUTES

Administration: These statutes are administered by the Nebraska Department of Agriculture, Finance and Personnel Division. The Nebraska Department of Agriculture is located in the State Office Building, 301 Centennial Mall South, Lincoln, Nebraska 68509, telephone: (402) 471-6817.

Adoption: The provisions of these statutes were initiated during the 2007 session of the Nebraska Legislature. This reproduction was prepared following that session.

Rules: The Department of Agriculture has no authority to adopt and promulgate regulations under these statutes.

INDEX

<table>
<thead>
<tr>
<th>Section</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-5601</td>
<td>Terms, defined.</td>
</tr>
<tr>
<td>2-5602</td>
<td>Excise tax; amount; payment.</td>
</tr>
<tr>
<td>2-5603</td>
<td>Excise tax; first purchaser; deduction; records; contents; statement; remitted to State Treasurer.</td>
</tr>
<tr>
<td>2-5604</td>
<td>Department of Agriculture; calculate costs; report.</td>
</tr>
<tr>
<td>2-5605</td>
<td>Violation; penalty.</td>
</tr>
</tbody>
</table>

2-5601. Terms, defined. For purposes of sections 2-5601 to 2-5604:
(1) Commercial channels means the sale or delivery of grapes for any use, except grapes intended for ultimate consumption as table grapes, to any commercial buyer, dealer, processor, or cooperative or to any person, public or private, who resells any grapes or product produced from grapes;
(2) Delivered or delivery means receiving grapes for utilization or as a result of sale in the State of Nebraska but excludes receiving grapes for storage;
(3) First purchaser means any person, public or private corporation, association, partnership, or limited liability company buying, accepting for shipment, or otherwise acquiring the property in or to grapes from a grower;
(4) Grower means any landowner personally engaged in growing grapes, a tenant of the landowner personally engaged in growing grapes, and both the owner and tenant jointly and includes a person, a partnership, a limited liability company, an association, a corporation, a cooperative, a trust, or any other business unit, device, or arrangement; and
(5) Table grapes means grapes intended for ultimate consumption as produce in fresh, unprocessed form and not intended for wine production, juice production, or drying.

2-5602. Excise tax; amount; payment. (1) Except as provided in subsection (2) of this section, an excise tax of one cent per pound is levied upon all grapes sold through commercial channels in Nebraska or delivered in Nebraska. The excise tax shall be paid by the grower at the time of sale or delivery and shall be collected by the first purchaser. Grapes shall not be subject to the excise tax imposed by this section more than once.
(2) The excise tax imposed by this section shall not apply to the sale of grapes to the federal government for the ultimate use or consumption by the people of the United States when the State of Nebraska is prohibited from imposing such excise tax by the United States Constitution and the laws enacted pursuant thereto.

2-5603. **Excise tax; first purchaser; deduction; records; contents; statement; remitted to State Treasurer.** (1) The first purchaser, at the time of settlement, shall deduct the excise tax imposed by section 2-5602. The excise tax shall be deducted whether the grapes are stored in this state or any other state. The first purchaser shall maintain the necessary records of the excise tax for each purchase or delivery of grapes on the settlement form or check stub showing payment to the grower for each purchase or delivery. Such records maintained by the first purchaser shall provide the following information:

   (a) The name and address of the grower and seller;
   (b) The date of the purchase or delivery;
   (c) The number of pounds of grapes purchased; and
   (d) The amount of excise taxes collected on each purchase or delivery.

   Such records shall be open for inspection during normal business hours observed by the first purchaser.

   (2) The first purchaser shall render and have on file with the Department of Agriculture by the last day of January and July of each year, on forms prescribed by the department, a statement of the number of pounds of grapes purchased in Nebraska. At the time the statement is filed, such first purchaser shall pay and remit to the department the excise tax imposed by section 2-5602.

   (3) All excise taxes collected by the department pursuant to this section shall be remitted to the State Treasurer for credit to the Winery and Grape Producers’ Promotional Fund. The department shall remit the excise tax collected to the State Treasurer within ten days after receipt.

2-5604. **Department of Agriculture; calculate costs; report.** For each fiscal year beginning with FY2007-08, the Department of Agriculture shall calculate its costs in collecting and enforcing the excise tax imposed by section 2-5602 and shall report such costs to the Department of Administrative Services within thirty days after the end of the calendar quarter. Sufficient funds to cover such costs shall be transferred from the Winery and Grape Producers’ Promotional Fund to the Management Services Expense Revolving Fund at the end of each calendar quarter. Funds shall be transferred upon the receipt by the Department of Administrative Services of a report of costs incurred by the Department of Agriculture for the previous calendar quarter.

2-5605. **Violation; penalty.** Any person violating sections 2-5601 to 2-5603 shall be guilty of a Class III misdemeanor.
A license to operate a farm winery may be issued by the commission upon an applicant's compliance with section 53-123.12 and such other requirements as the commission adopts and promulgates by rule and regulation to administer §§53-123.10 to 53-123.13.


(1) A farm winery license shall entitle the holder to:

(a) Sell wines produced at the farm winery onsite at wholesale and retail and to sell wines produced at the farm winery at off-premises sites holding the appropriate retail license;

(b) Sell wines produced at the farm winery at retail for consumption on the premises;

(c) Permit a customer to remove one unsealed bottle of wine for consumption off the premises. The licensee or his or her agent shall (A) securely reseal such bottle and place the bottle in a bag designed so that it is visibly apparent that the resealed bottle of wine has not been opened or tampered with and (B) provide a dated receipt to the customer and attach to such bag a copy of the dated receipt for the resealed bottle of wine.

(ii) If the resealed bottle of wine is transported in a motor vehicle, it must be placed in the trunk of the motor vehicle or the area behind the last upright seat of such motor vehicle if the area is not normally occupied by the driver or a passenger and the motor vehicle is not equipped with a trunk;
(d) Ship wines produced at the farm winery by common carrier and sold at retail to recipients in and outside the State of Nebraska, if the output of such farm winery for each calendar year as reported to the commission by December 31 of each year does not exceed thirty thousand gallons. In the event such amount exceeds thirty thousand gallons, the farm winery shall be required to use a licensed wholesaler to distribute its wines for the following calendar year, except that this requirement shall not apply to wines produced and sold onsite at the farm winery pursuant to subdivision (1)(a) of this section;

(e) Allow sampling of the wine at the farm winery and at one branch outlet in the state in reasonable amounts;

(f) Sell wines produced at the farm winery to other Nebraska farm winery licensees, in bulk, bottled, labeled, or unlabeled, in accordance with 27 C.F.R. 24.308, 27 C.F.R. 24.309, and 27 C.F.R. 24.314, as such regulations existed on January 1, 2008; and

(g) Purchase distilled spirits from licensed microdistilleries in Nebraska, in bulk or bottled, made entirely from Nebraska-licensed farm winery wine to be used in the production of fortified wine at the purchasing licensed farm winery.

(2) No farm winery shall manufacture wine in excess of fifty thousand gallons per year.

(3) A holder of a farm winery license may obtain a special designated license pursuant to section 53-124.11.

(4) A holder of a farm winery license may obtain an annual catering license pursuant to section 53-124.12.


53-123.12 Farm winery license; application requirements; fees.

Any person desiring to obtain a new license to operate a farm winery shall:

(1) File an application with the commission in triplicate original upon such forms as the commission from time to time prescribes;

(2) Pay the license fee to the commission under subdivision (2) of section 53-124, which fee shall be returned to the applicant if the application is denied; and

(3) Pay the state registration fee to the commission in the sum of forty-five dollars.
License fees and registration fees may be paid to the commission by certified or cashier's check of a bank within this state, personal or business check, United States post office money order, or cash in the full amount of such fees. The commission shall then notify, by registered or certified mail marked return receipt requested with postage prepaid, the municipal clerk of the city or incorporated village where such license is sought or, if the license is not sought within a city or incorporated village, the county clerk of the county where such license is sought of the receipt of the application and shall enclose with such notice one copy of the application. No such license shall then be issued by the commission until the expiration of at least forty-five days from the date of mailing such application by the commission. Within thirty-five days from the date of receipt of such application from the commission, the local governing bodies of nearby cities or villages or the county may make and submit to the commission recommendations relative to the granting of or refusal to grant such license to the applicant.


53-123.13 Farm winery; waiver of requirement; when; conditions.

(1) If the operator of a farm winery is unable to produce or purchase seventy-five percent of the grapes, fruit, or other suitable agricultural products used in the farm winery from within the state due to natural disaster which causes substantial loss to the Nebraska-grown crop, such operator may petition the commission to waive the seventy-five-percent requirement prescribed in subdivision (31) of section 53-103 for one year.

(2) It shall be within the discretion of the commission to waive the seventy-five-percent requirement taking into consideration the availability of products used in farm wineries in this area and the ability of such operator to produce wine from products that are abundant within the state.

(3) If the operator of a farm winery is granted a waiver, any product purchased as concentrated juice from grapes or other fruits from outside of Nebraska, when reconstituted from concentrate, may not exceed in total volume along with other products purchased the total percentage allowed by the waiver.

(4) Any product purchased under the waiver or as part of the twenty-five percent of allowable product purchased that is not Nebraska-grown for the production of wine shall not exceed the twenty-five percent volume allowed under state law if made from concentrated grapes or other fruit, when reconstituted. The concentrate shall not be reduced to less than twenty-two degrees Brix in accordance with 27 C.F.R. 24.180.

53-123.15  Shipping license; when required; rights of licensee; application; contents; violation; disciplinary action.

(1) No person shall order or receive alcoholic liquor in this state which has been shipped directly to him or her from outside this state by any person other than a holder of a shipping license issued by the commission, except that a licensed wholesaler may receive not more than three gallons of wine in any calendar year from any person who is not a holder of a shipping license.

(2) The commission may issue a shipping license to a manufacturer. Such license shall allow the licensee to ship alcoholic liquor only to a licensed wholesaler, except that a licensed wholesaler may, without a shipping license and for the purposes of subdivision (2) of section 53-161, receive beer in this state which has been shipped from outside the state by a manufacturer in accordance with the Nebraska Liquor Control Act to the wholesaler, then transported by the wholesaler to another state for retail distribution, and then returned by the retailer to such wholesaler. A person who receives a license pursuant to this subsection shall pay the fee required in sections 53-124 and 53-124.01 for a manufacturer’s shipping license. Such fee shall be collected by the commission and be remitted to the State Treasurer for credit to the General Fund.

(3) The commission may issue a shipping license to any person who deals with vintage wines, which shipping license shall allow the licensee to distribute such wines to a licensed wholesaler in the state. For purposes of distributing vintage wines, a licensed shipper must utilize a designated wholesaler if the manufacturer has a designated wholesaler. For purposes of this section, vintage wine shall mean a wine verified to be ten years of age or older and not available from a primary American source of supply. A person who receives a license pursuant to this subsection shall pay the fee required in sections 53-124 and 53-124.01 for a vintage wine dealer’s shipping license. Such fee shall be collected by the commission and be remitted to the State Treasurer for credit to the General Fund.

(4) The commission may issue a shipping license to any person who sells and ships alcoholic liquor from another state directly to a consumer in this state. A person who receives a license pursuant to this subsection shall pay the fee required in sections 53-124 and 53-124.01 for a direct sales shipping license. Such fee shall be collected by the commission and remitted to the State Treasurer for credit to the Winery and Grape Producers’ Promotional Fund.

(5) The application for a shipping license shall be in such form as the commission prescribes. The application shall contain all provisions the commission deems proper and necessary to effectuate the purpose of any section of the act and the rules and regulations of the commission that apply to manufacturers and shall include, but not be limited to, provisions that the applicant, in consideration of the issuance of such shipping license, agrees:

(a) To comply with and be bound by section 53-164.01 in making and filing reports, paying taxes, penalties, and interest, and keeping records;
(b) To permit and be subject to all of the powers granted by section 53-164.01 to the commission or its duly authorized employees or agents for inspection and examination of the applicant's premises and records and to pay the actual expenses, excluding salary, reasonably attributable to such inspections and examinations made by duly authorized employees of the commission if within the United States; and

(c) That if the applicant violates any of the provisions of the application or the license, any section of the act, or any of the rules and regulations of the commission that apply to manufacturers, the commission may revoke or suspend such shipping license for such period of time as it may determine.