

Nebraska Grape and Winery Board

Annual Report 2013

For information contact:

**Nebraska Department of Agriculture
301 Centennial Mall South
P.O. Box 94947
Lincoln, NE 68509
(402) 471-4876**

Table of Contents

<u>Contents</u>	<u>Page</u>
Board of Directors	
Nebraska Grape and Winery Board of Directors	1
Overview of Activities	
Executive Summary.....	5
Strategic Plan	9
Request for Proposals	
News Release, February 28, 2013	23
Request for Proposal Application Instructions	25
Meeting Minutes	
Minutes, September 17, 2012.....	35
Minutes, November 2, 2012.....	47
Minutes, May 30, 2013	56
2012 – 2013 Fiscal Report	69
Contracts	
NWGGA Contract – Executive Management Services Second Amendment.....	73
NWGGA Contract – Executive Management Services First Amendment.....	74
NWGGA Contract – Executive Management Services	75
NWGGA Contract – Economic Impact Study	80
NWGGA Contract – Marketing Plan	85
Mac’s Creek Vineyard & Winery – Cold Hardiness Study (Vineyards)	90
Mac’s Creek Vineyard & Winery – Ozone Project (Lexington)	96
NWGGA Contract – 2012-2013 Passport Program	101
NWGGA Contract – Regional Wine Festival	106
NWGGA Contract – Wine Quality Assurance Program	111
UNL Contract - Viticulture Program	116
Mac’s Creek Vineyard & Winery – Ozone Project (Orchards)	122
Mac’s Creek Vineyard & Winery – Cold Hardiness Study (Orchards)	128
Mac’s Creek Vineyard & Winery - Ozone Project (Raymond)	134
NWGGA Contract – Education Program	140
Nebraska Grape and Winery Board – Board Services Contractor.....	145
Bylaws	
Bylaws	155
Statutes	
Nebraska Grape and Winery Board.....	161
Nebraska Grape Excise Tax Statutes.....	164
Farm Wineries Statutes	166

**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
max@macscreekvineyards.com

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

Terry Ryan (Secretary/Treasurer)Vineyard Owner
#1 El Charman Lake Place
Gibbon, NE 68840
(308) 830-0775
lake1ryan@rcom-ne.com

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

Dave Hanna.....Vineyard Owner
75137 Hwy 283
Lexington, NE 68850
(308) 324-6094
hannadave@live.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

Jeff Noel
ARDC Foundation Seed, 1071 County Road G, Room C, Ithaca, NE 68033
(402) 624-8012
jnoel2@unlnotes.unl.edu

OVERVIEW OF ACTIVITIES

EXECUTIVE SUMMARY

The Board of Directors met three times during the fiscal year. The year began July 1, 2012, and ended June 30, 2013. 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 April 24, 2013, amended sections Neb. Rev. Stat. §§53-124, 53-124.01, 53-162, and 53-304 (Reissue) and §53-123.15 (Cum. Supp. 2012), to provide for and change provisions relating to shipping licenses, to provide for fees and taxes, to harmonize provisions, and to repeal the original sections.

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. As in previous years, 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 were approved for funding, which totaled \$221,436; \$164,251.43 of this amount was submitted to the Nebraska Department of Agriculture (NDA) for reimbursement. For a complete list of all projects, and their respective amounts, please refer to the 2012 – 2013 fiscal report found in this report.

The Board released a Request for Proposal (RFP) in February 2013 seeking grant proposals from individual growers, farm wineries, organizations, industry groups, or academic institutions for the 2013 – 2014 fiscal year. A total of nine proposals were approved for funding. A copy of the RFP is included in this report.

Promotion of Nebraska's grape and wine industry continues to be 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 Nebraska Winery and Grape Growers Association (NWGGA) activities, and works closely with the University of Nebraska-Lincoln to receive guidance and education based upon industry research.

This Annual Report includes the Board's strategic plan, meeting minutes, RFP, 2012 – 2013 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 (NDA) 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 varieties 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 has helped accomplish this goal. This enables 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 enables 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.

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. This 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 section 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 varieties 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. Perform routine maintenance;

- b. Monitor and review the number of visits to the website on a monthly basis; and
- c. Provide continual updates, as needed.

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**

February 28, 2013

**Contact: Ruth C. Anderson
ruthc.anderson@yahoo.com**

NEBRASKA GRAPE AND WINERY BOARD SEEKS GRANT PROPOSALS

February 28, 2013 - 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, 2013 – June 30, 2014). Funding for projects will be subject to the availability of funds. Applications can be submitted electronically on or before Wednesday, May 1, 2013, to ruthc.anderson@yahoo.com . Applications submitted by U.S. Mail must be postmarked on or before Wednesday, May 1, 2013, and sent to Ruth C. Anderson, 1011 Road O, York, Nebraska 68467.

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. For more information, contact Casey Foster at the Nebraska Department of Agriculture at 800-422-6692 or Ruth C. Anderson, Nebraska Grape and Winery Board Services Contractor at ruthc.anderson@yahoo.com.

**Nebraska Grape and Winery Board
Request for Proposal Application Instructions
2013 -2014 Fiscal Year**

Applications Due by U.S. Mail: **Wednesday, May 1, 2013**
Applications must be postmarked on or before the above date.

Submit applications by U.S. mail to:
Ruth C. Anderson
1011 Road O
York, Nebraska 68467

Applications Due Electronically: **Wednesday, May 1, 2013**
Applications are due by or before the above date.

Submit applications to:
ruthc.anderson@yahoo.com

Questions regarding this grant should be directed to the Nebraska Department of
Agriculture at 800-422-6692 or ruthc.anderson@yahoo.com

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, 2013 – June 30, 2014. 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, 2013, and prior to June 30, 2014. 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 may 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;*
- *Budget line item expenses could include costs associated with personnel, travel, equipment, supplies, and/or contracted work; and*
- *Accounting and project records can be readily retrieved and reported.*

Budget Example

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

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 receiving grant funds.

Social Security Number or Federal Tax ID Number of

Applicant: _____

Name of Applicant: _____

Signed: _____

Date: _____

Title: _____

Signed: _____

Date: _____

Title: _____

Signed: _____

Date: _____

Title: _____

MEETING MINUTES

Nebraska Grape and Winery Board Meeting Minutes
Wingate Inn
108 3rd Avenue
Kearney, Nebraska
September 17th, 2012

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

Ex-Officio Members Present: Casey Foster, Nebraska Department of Agriculture
Board Services Contractor Present: Ruth Anderson

Guests Present: Dr. Paul Read, University of Nebraska – Lincoln
Al Vybiral, NWGGA President-Elect
Karen Kollars, Nebraska Tourism Commission

Call to Order

Max McFarland called the meeting to order at 5:00 p.m.

Approve Agenda

The agenda was reviewed by the Board. It was recommended that Nebraska Tourism Commission Update be added to the agenda under New Business. Karen Kollars, representing Nebraska Tourism Commission, was introduced. It was moved and seconded by Terry and Dave, respectively, that the agenda be approved as amended. The motion carried.

Approve Minutes of May 21, 2012, Meeting

Max opened discussion regarding approval of the May 21, 2012, minutes. It was requested that changes be made on page 3. It was recommended that NAA be added to the Amigo Oil report. The UNL Viticulture Program has applied Amigo Oil and Naphthalene Acetic Acid (NAA) to grape vines in an effort to delay bud break. Bart motioned and Ellen seconded that the minutes be approved, as corrected. The motion passed by unanimous consent.

Public Notice

It was noted that the date, time, and location of this meeting was published in the September 4th edition of the *Norfolk Daily News*, September 5th edition of the *Star*

Herald, September 6th edition of the *North Platte Telegraph*, and September 7th editions of the *Beatrice Daily Sun* and *Grand Island Independent*.

Old Business

Nebraska Winery and Grape Growers' Association (NWGGA) Project Updates

Wine Expo/Festival

The NWGGA President-Elect, Al Vybiral, gave an extensive report on the Westminster's 29th Annual Maryland Wine Festival that he and Jim Ballard attended earlier this year. This event focused on showcasing Gold Cup Wines under a Premier Wine Tent, and it promoted 60 wineries throughout the two-day festival. This is an event Nebraska could host, on a smaller scale, for the industry. On August 21st, the NWGGA met with the Feasibility Study consultant, Steven Muerle. It was determined that this kind of event would be feasible in Nebraska and planning such an event in Nebraska should proceed forward. The event will be held either in Omaha or Lincoln. An event coordinator will be hired, and a festival board will be established by the NWGGA.

A Nebraska Wine Expo/Festival will provide much needed exposure to the industry and can provide a stable source of income for the association to utilize. The initial vision for this activity is to develop a weekend event that would contain a number of activities pertaining to the industry. Examples might include a tasting event featuring Nebraska wines and wine seminars tailored to the public (wine and food pairing, wine 101) and NWGGA members (in-depth learning session featuring pertinent speakers from across the country). The location, time of year, and other elements will be determined by this study.

A Wine Festival was held at the Nebraska State Fair this year. Twelve wineries participated, and educational seminars were presented by the UNL Viticulture Program, UNL Extension, and Mac's Creek Vineyard and Winery.

Wine Quality Assurance Program

NWGGA will accomplish the major components of this project during the 2012-13 fiscal year. The first phase of this program is complete, but the second phase has not yet begun. Listed below are the three phases:

1. Sensory/Hedonistic Panel Evaluation
2. Educational Component
3. Chemical Analyses of Wines

The NWGGA will work with an enologist, who will serve as the project consultant. The first step involved the assembly of a Wine Sensory Quality Assurance Panel. Nebraska

wineries were able to submit wines for evaluation. Wines were evaluated in a laboratory by trained panelists from a Hedonistic Panel (smell and taste) and from a Quantitative Faults Panel (smell only). Although the first phase is complete, a report identifying the number of Nebraska wines evaluated and the aggregate results was not yet available. Scores were being tabulated and combined to provide an aggregate overview of the quality of Nebraska's commercial wines. The intent was to identify any wine flaws associated with each variety so corrections can be made to improve the quality of Nebraska wines.

The second phase will involve an educational workshop for Nebraska winemakers, and it will launch before the end of the year. This will be a one- or two-day seminar that will serve as a follow-up to the wine evaluations. It will provide resources to assist wineries in addressing problems that result in wine flaws. It is anticipated that the information provided at the workshop will be used to make adjustments or corrections to wine productions, if necessary. The cost for participating in this phase of the program has increased.

The third step involves a chemical analysis of Nebraska wines in a laboratory. Chemical tests will be performed to identify acidity, bacteria, glucose, fructose, and other ingredients that are included in bottled wines.

During the meeting, the Board decided to allocate \$24,000 to the NWGGA to accomplish the major components of this project during the 2012-13 fiscal year.

Executive Director

The NWGGA Executive Director Position opening has been extended until the end of the month. The position has been advertised at numerous wine locations and in industry publications. NWGGA plans to hire an individual to fill this soon-to-be vacated position.

Mac's Creek Vineyards and Winery – Cold Hardiness Study

Mac's Creek Vineyards and Winery provided a brief report regarding the results of his cold hardiness study. It was reported that last year's study results indicated that a 14-day delay can be attained with two Amigo Oil applications while no significant delay resulted from a single application. The first application was applied on March 29th and a second application was on April 5th. A third application was not needed. The study was to determine the effects of single versus multiple applications. It was assumed that the cost benefit analysis by applying Amigo Oil for year 1 indicated a revenue savings of \$46,200. After 5 years, a savings of \$231,000. The unusual weather conditions of the past winter and spring seasons have made it difficult to determine whether these results can be replicated and expected in future years. This study will need to be conducted again to obtain more concrete data. It was mentioned that Amigo Oil does not delay harvest dates, but increases harvest weights.

Mac's Creek Vineyards and Winery – Ozone Technology

Mac's Creek Vineyards and Winery is currently investigating the use of ozone technology to control viticulture diseases. Numerous charts were shown detailing the project's impact. The cultivars selected for this project were divided into three groups.

1. The Control Group did not receive any spray treatment of any kind.
2. Treatment Group #1 received normal chemical spray as per the Vineyard's usual spray program.
3. Treatment Group #2 only received ozone spray treatment.

It was conclusive that Treatment Group # 2 showed no signs of mildew or disease. As more research is conducted, it is anticipated that this technology will reduce or eliminate the application of chemicals to control diseases. If this research continues to prove successful, it will enhance sustainability, reduce the carbon footprint, enhance the positive image of Nebraska's grape and wine industry, and protect grape and wine consumers.

University of Nebraska – Lincoln Viticulture Program Project Updates

Dr. Paul Read provided a brief overview of UNL's Viticulture Program focus areas.

General Comments on 2012 Vintage:

1. Impact of drought and heat – yields were down across the state. With some exceptions (UNVP Nebraska City Research Site, see #3-5 below).
2. Quality is better than might be expected. Smaller berries = lower yield, but higher skin to pulp ratio.
3. Although non irrigated, the yield at the UNVP Nebraska City site were up considerably over the previous two years, with some cultivars averaging over 60 pounds per plant.
4. Cultivars that performed exceptionally well at Nebraska City included Vignoles, Norton, Frontenac, Edelweiss, Chambourcin, Lacrosse, Noiret, Corot Noir and Bianca.
5. In addition to the usual recommended cultivars, Bianca, Noiret, and perhaps Corot Noir should be considered for planting in suitable locations.

6. Some vineyards suffered from extreme herbicide drift damage, hail damage or insects.

Northeast Nebraska Regional 1020 Program

1. The major planting of the NE – 1020 and Northern grapes projects are located on a commercial vineyard that suffered extreme damage from herbicide drift. As a result, crop yield was reduced to a great extent across the plantings.
2. However, there were significant differences in degree of injury among cultivars and numbered selections. Ratings were taken and a report on the relative damage will be included in the next issue of the Nebraska *VineLines* and presented at the Nebraska Grape and Winery Annual Forum and Trade Show in Kearney in 2013.
3. Numbered selections from the University of Minnesota breeding program exhibiting promise include MN 1220 and MN 1235. Feedback will be given to breeders at the U of MN.
4. Vertebrate pests were effectively controlled by netting (birds), but some depredation resulted from raccoon foraging.

Comparisons of Trellis Systems and Components

1. Based upon studies at Czechland Vineyards and the University of Nebraska sites, Frontenac and Marguette are recommended to be trained to a Geneva Double Curtain or High Cordon system. Yields have been consistently higher than VSP with no diminution of fruit quality.
2. Commercial steel vineyard posts appear to be adequate, although the posts that were installed at a commercial vineyard exhibited some bending in 2012.
3. Duraline trellis “wire” was difficult to work with, especially to effectively tighten.

Mulch and Ground Cover Studies

1. Distillers grains gave almost 100% weed control in 2011, but less suppression in 2012.
2. Crushed glass provided excellent weed control in both years, but some grassy weeds pushed through the mulch in 2012.
3. There were notable differences in soil moisture retention in both mulch systems when compared to the glyphosate control and the ground cover treatments.

4. Measurements of plant moisture content indicated benefits of the mulch treatments.
5. Pruning weights were not significantly different among treatments following mulch applications in year one (2011). They will be monitored again following the 2012 growing season.

Bud Break Delay using Vegetable Oil and NAA

1. The mild winter and rapid advancing spring led to less delay than in previous years.
2. NAA (Naphthalene Acetic Acid) delayed bud break more than the Amigo Oil on Edelweiss grapevines, but both gave from two to five days delay (a few individual plants had up to nine days delay).
3. Three applications were superior to single applications for the NAA treatments.
4. This experiment will be randomly repeated. It is expected that the coming winter will provide more challenging environmental conditions and lead to more significant differences. Additional cultivars and locations will also be considered.

Ozone Treatments in the Vineyard

The UNVP is cooperating with James Arthur Vineyards, Mac's Creek Vineyards and the Ozein Company to evaluate the relative utility of ozone sprays in the vineyard. It is recognized that treatments of ozone are effective in winery sanitization, so it is anticipated that benefits will be achieved in vineyards. Exploratory experiments were initiated at James Arthur Vineyards following promising results obtained by Mac's Creek Vineyards during the 2012 growing season. More extensive trials will be installed at James Arthur Vineyards in the 2013 growing season.

Educational Programming

A Field Day focused on Sprayer Technology was conducted at the Geo. Spencer Vineyards, Gibbon, Nebraska on July 28, 2012. Lowell Sandell, UNL Weed Specialist, presented an extensive and informative program on sprayer equipment and appropriate application technology to achieve maximum pest control while minimizing potential threat to neighboring fields and crops. Ernie Wilkink, owner of the Ozein Company discussed the potential benefits of using ozone sprays in the vineyard. Use of an ozone sprayer was demonstrated in the vineyard.

15th Annual Winery and Grape Growers Forum and Trade Show

Plans are well under way for the 15th Annual Conference to be held February 28- March 2, 2013. The theme is "Growing a Business." Several speakers have committed to participate or are considering participation. Advice of the NWGGA has been considered and additional suggestions are welcome.

***VineLines* Newsletter**

UNL's *VineLines* newsletter is now available via e-mail.

Teaching at UNL

Students continue to be enthusiastic about HORT/NUTR 471/871, "Vines, Wines and You." Maximum class size reaches its limit on the first day of registration. NWGGA's assistance is appreciated. Student numbers have also continued to increase in HORT 352, Physiology of Horticultural Crops; HORT 353, Vegetable Crops Laboratory and HORT 354, Fruit Crops Laboratory.

2011 – 2012 Year End Fiscal Report

Casey handed out a copy of the 2011-2012 fiscal report. He mentioned that the Board has a large ending cash balance and that Ruth Anderson will be working with the NWGGA and other grantees on collecting final reports. Dave made a motion to approve the budget as presented. It was seconded by Bart. Motion carried.

2012 – 2013 Fiscal Year Report

Casey also handed out the Board's 2012 – 2013 August fiscal report. It is estimated that the Board will would carryover \$51,848 into the next fiscal year. The Board estimates to collect \$171,400 in total revenue this fiscal year. This would give the Board a total available cash balance of \$263,238. Bart made a motion to approve the report. It was seconded by Terry. Motion carried.

2011 – 2012 Annual Report

Ruth will work on compiling the 2011-2012 Annual Report. When compiled, It will be sent to the Board for approval. Copies of the report will be sent to the Executive Director of the Nebraska Liquor Control Commission, all 49 State Senators, NWGGA Board President, and UNL. It will also be posted to the Board's website at www.grapeandwineryboard.nebraska.gov.

Grape and Winery Board's Strategic Plan

Revisions and updates were made to the Grape and Winery Board's Strategic Plan. A new version was handed out at the meeting. Terry made a motion to approve the revised plan. Dave seconded it. Motion carried.

New Business

Mac's Creek Vineyards and Winery submitted the following three proposals to the Board in hopes of seeking financial support to help conduct these projects. Ellen made a motion to approve all three proposals for their full amount. It was seconded by Terry. Motion carried.

1. Cold Hardiness: It Takes More Than A Cold Hardy Cultivar

This project is designed to assist Mac's Creek Vineyards and Winery in paying for a cold hardiness study conducted on Nebraska fruit trees at Cardinal Orchards and Reno Ridge Vineyards located in Eddyville and Cozad, Nebraska, respectively. This project will investigate the effectiveness as to whether the late winter spraying of Amigo Oil to dormant fruit trees can delay de-acclimation and/or early bud break resulting from warm temperatures so considerable damage from subsequent killing frosts can be avoided. The results from this study could make it possible for orchards to significantly increase profitability. Up to \$6,605 will pay for the costs associated with this project, which includes:

- a. Amigo Oil and supplies;
- b. Plant pathology consultant;
- c. Sprayer consultant;
- d. Research consultant to create the research design, identify and mark sample groups on all sites, train research assistant, monitor project throughout summer, interpret data, and create a final report;
- e. Research assistant to collect and enter data on a weekly basis for statistical analysis;
- f. Research analyst for data analysis, consultation, interpretation, and/or preparation of a report; and
- g. Site manager.

Three groups of trees (crabapple, pear, and peach) will be identified at each orchard site. Each group will be selected by rows, in a block-style method. The sample trees will be pruned prior to the first application of Amigo Oil.

- a. The Control Group will not receive an application.
- b. Treatment Group #1 will receive application of Amigo Oil in a 5 percent water solution.
- c. Treatment Group #2 will receive application of Amigo Oil in a 10 percent water solution. The initial treatment will be applied on or about March 1, 2013, and reoccur approximately once every two weeks until bud break (approximately May 1, 2013).

2. **Increasing Sustainability of Viticulture in Nebraska by “Going Green”.**

This project is designed to assist Mac’s Creek Vineyards and Winery in using ozone technology on multiple cultivars found at James Arthur Vineyards. This study, which is in partnership between the two vineyards, will investigate the feasibility of utilizing ozone technology to control viticulture diseases. Up to \$6,395 will pay for the costs associated with this project, which includes:

- a. Ozone consultant;
- b. Research consultant to develop research design, coordinate data collection, train research assistant, identify sample blocks, interpret results, and create a final report;
- c. Research assistant to collect and enter data on a weekly basis for statistical analysis;
- d. Data analyst to analyze all data; and
- e. Site coordinator for labor/machine rental.

Four cultivars will be selected for the study, which include Edelweiss, Vignole, deChaunac, and St. Croix. Each cultivar will be divided into four groups.

- a. The Control Group will not receive any spray treatment of any kind.
- b. Treatment Group #1 will receive normal chemical spray as per JAV’s usual spray program.

- c. Treatment Group #2 will only receive ozone spray treatment at the same schedule as the normal chemical spray program at JAV.
- e. Treatment Group #3 will receive both ozone and chemical spray treatments at alternating intervals.

Each group will be selected, by rows, in a block-style method. All vines will be managed in a manner consistent with normal growing season care for commercial vineyards prior to and during any treatment.

3. **Using Ozone Technology to Reduce Pesticide Usage in NE Small Fruit Orchards.**

This project is designed to assist Mac's Creek Vineyard and Winery in investigating the feasibility of utilizing ozone technology to control diseases in Nebraska fruit. Use of this technology would reduce or eliminate the application of chemicals to control such diseases, thereby enhancing sustainability, reducing the carbon footprint, enhancing the positive image of Nebraska's agriculture, and protecting the consumer.

This project is to expand the ozone technology research from a vineyard to an orchard application, thereby applying this technology to Nebraska crabapple, pear, and peach trees. The goal is to investigate the efficacy of ozone application to control disease in a commercial orchard. Up to \$9,400 will pay for the costs associated with this project, which include:

- a. Ozone consultant;
- b. Plant pathology consultant;
- c. Sprayer consultant;
- d. Research consultant to create the research design, identify and mark sample groups on all three sites, train research assistant, monitor project throughout summer, interpret data, and create a final report;
- e. Research assistant to collect and enter data on a weekly basis for statistical analysis;
- f. Research analyst to analyze data; and
- g. Site manager.

Three (3) cultivars will be selected for the study (crabapples, pears, and peaches). Each cultivar will be divided into three groups.

- a. The Control Group will not receive any spray treatment of any kind.
- b. Treatment Group #1 will receive normal chemical spray, as per the orchards usual spray programs.
- c. Treatment Group #2 will only receive ozone spray treatment.

Each group will be selected by rows in a block-style method. All trees will be managed in a manner consistent with normal growing season care for commercial orchards prior to and during any treatment.

Pesticide-Drift Seminar

Discussion ensued with regards to hosting a Pesticide-Drift Seminar. The Board decided to forward this idea to NWGGA's Growers' Council. NWGGA will decide if such a seminar is appropriate. If approved, the probable date is November 3, 2012. Herbicide and pesticide use in vineyards is the tentative topic. Earlier in the year, the Board allocated up to \$10,000 to the NWGGA to pay for educational seminars. Board funds could be used to pay for speaker honorariums, speaker expenses, workshop materials, and room rental costs. The location has not yet been determined.

Discuss allocations of Funding for 2012-2013 Fiscal Year

The proposals approved for funding for the 2012-13 fiscal year are as follows:

NWGGA Executive Management Services	\$36,000.00
NWGGA Regional Wine Festivals	\$10,000.00
NWGGA Economic Impact Study	\$12,000.00
NWGGA Education Program	\$10,000.00
NWGGA Marketing Program	\$20,000.00
NWGGA Passport Program 2012-2013	\$10,000.00
NWGGA WQA Program	\$24,000.00
UNL Viticulture Program	\$53,761.00
Mac's Creek Vineyard & Winery	
a. Amigo Oil: Single vs. Multiple Applications	\$5,975.00
b. Increasing Sustainability of Viticulture in Nebraska by "Going Green"	\$7,300.00
c. Cold Hardiness: It Takes More Than A Cold Hardy Cultivar An Orchard Application	\$6,605.00

- | | | |
|----|--|------------|
| d. | Increasing Sustainability of Viticulture in Nebraska by
“Going Green” | \$6,395.00 |
| e. | Using Ozone Technology to Reduce Pesticide Usage in
Nebraska Small Fruit Orchards | \$9,400.00 |

Ellen made a motion to approve the three Mac’s Creek Winery & Vineyards proposals (c., d., and e. listed above). It was seconded by Terry. (Max removed himself from voting.) Motion carried.

Tourism Strategic Plan

Karen Kollars spoke on behalf of the Nebraska Tourism Commission and gave each member a Strategic Plan Summary handout. She highlighted the new proposals that were being implemented from the plan with the “Wayfinding Signs” showing arrows encouraging tourists to stop and spend more time at the suggested sites. Numerous committees are forming and Karen suggested if anyone wanted to help they could sign up at the Nebtour email site or contact shannon.j.peterson@nebraska.gov. Help is needed with the new travel guide, and everyone was invited to attend the Nebraska Travel Conference being held in Gering, Nebraska, October 24-25, 2012 at the Gering Civic Center or the Ag Eco Tourism workshop in North Platte, February 4-5, 2013. You can also look up www.visitnebraska.gov. It was suggested that the Board write a letter to the commissioners to see if they would accept someone from the grape industry to sit on the Board. Max asked the NWGGA Board to read through the Tourism Commission Strategic Plan and respond back to Ruth electronically with their ideas and suggestions within the next two weeks.

Other Business

Fall Conference workshops will be held November 3. Location to be decided.

The Board members completed their expense vouchers. The next meeting is scheduled for November 2, 2012, at Misty’s Steakhouse and Lounge, 6235 Havelock Ave, Lincoln, NE beginning at 5:00 p.m.

Adjourn

Terry made a motion to adjourn and Bart seconded it. Motion carried. The meeting adjourned at 9:30 p.m.

**Nebraska Grape and Winery Board Meeting Minutes
Misty's Steakhouse and Lounge
6235 Havelock Ave
Lincoln, NE
November 2, 2012**

Board Members Present: Max McFarland, Chair
Bart Holmquist, Vice Chair
Terry Ryan
Ellen Burdick

Ex-Officio Members Present: Casey Foster, Nebraska Department of Agriculture
Board Services Contractor Present:
Ruth Anderson

Guests Present: Steve Gamet, University of Nebraska – Lincoln
Al Vybiral, NWGGA President-Elect
Karen Kollars, Nebraska Tourism Commission

Call to Order

Max McFarland called the meeting to order at 5:15 p.m.

Approve Agenda

The agenda was reviewed by the Board. It was moved and seconded by Terry and Bart, respectively, that the agenda be approved. The motion carried.

Approve Minutes of September 17th, 2012 Meeting

It was suggested that the Executive Director paragraph on page three of the September 17, 2012, minutes be rewritten to read as follows, "The search for the NWGGA Executive Director position has been extended until the end of the month. The position has been advertised at numerous wine locations and in industry publications. NWGGA plans to hire an individual to fill this soon-to-be vacated position." Bart made the motion and it was seconded by Terry that the minutes be approved as amended. The motion carried.

Public Notice

It was noted that the date, time, and location of this meeting was published in *The Norfolk Daily News*, *Star Herald*, *North Platte Telegraph*, *Beatrice Daily Sun* and *Grand Island Independent*.

Old Business

Nebraska Winery and Grape Growers' Association (NWGGA) Project Updates

Executive Director

The NWGGA President-Elect, Al Vybiral, gave an extensive report on the search for the new Executive Director. Three applicants applied for the position. The Executive Director Search Committee, which consisted of 6 members, interviewed the top two applicants. Both were reviewed twice, once by phone and once face-to-face. The committee unanimously agreed on one candidate, but a comment period with regards to the preferred applicant was open up until 5:00 p.m. on November 2, 2012. An email vote was cast by the NWGGA Board. An announcement will be made when the new Executive Director has officially been hired.

Pesticide Drift

Some vineyards experienced damage from herbicide drift, hail, and/or insects. As a result, a Pesticide Drift Seminar will take place on November 3, 2012, at Southeast Community College's Lincoln campus. It will be sponsored in partnership by the NWGGA and the Northern Grapes Project and administered under a SCRI grant from Cornell University. Representatives from the Nebraska Department of Agriculture (NDA), Iowa State University, and UNL are some of the featured speakers at the event. Topics to be addressed include, but are not necessarily limited to, identification of herbicide drift, caring for affected plants, documentation of loss due to herbicide drift, and who to call when a vineyard is hit by herbicides. Earlier in the year, the Board allocated up to \$10,000 to the NWGGA to pay for educational seminars. Board funds will be used to pay for speaker honorariums, speaker expenses, workshop materials, and room rental costs associated with this seminar.

Casey also talked about NDA's Driftwatch Database. This database can be used by NDA, grower groups, pesticide industry groups, and individual pesticide users to become aware of pesticide-sensitive crops. Growth regulator herbicides are the main causes of crop injury, and these active ingredients are found in many pesticide products labeled for agriculture. The main objective of this database is to raise awareness of non-traditional agriculture crops in the mind of pesticide applicators, reduce the potential for crop injury and subsequent economic harm, and reduce the number of pesticide complaints involving specialty crops requiring NDA investigation. Growers are encouraged to log on to this database and update their information annually.

Legal descriptions of pesticide sensitive crop areas were initially recorded on an online database established by UNL's Center for Advanced Land Management and Information Technologies (CALMIT). Within the past year, all of the information has been transferred to the Driftwatch Database, which is hosted by Purdue University.

University of Nebraska – Lincoln Viticulture Program Project Updates

Steve Gamet provided a brief overview of UNL's Viticulture Program focus areas.

General Comments on 2012 Vintage:

1. Impact of drought and heat. Statewide, grape crop yields were low. UNL's Nebraska City Research Site was an exception.
2. Quality is mostly better than might be expected. Smaller berries resulted in lower yield, but there was a higher skin to pulp ratio.
3. Although non irrigated, the yields at the UNL Nebraska City site were up considerably over the previous two years, with some cultivars averaging over 60 pounds per plant.
4. Cultivars that performed exceptionally well at Nebraska City included Vignoles, Norton, Frontenac, Edelweiss, Chambourcin, Lacrosse, Noiret, Corot Noir, and Bianca.
5. In addition to the usual recommended cultivars, Bianca, Noiret, and perhaps Corot Noir should be considered for planting in suitable locations.
7. In response to the obvious aberrant growing season and as noted in a proposal presented to the Nebraska Grape and Winery Board earlier in the year, an analysis of Growing Degree Days (GDD) has been initiated. Of particular note is the difference comparing the entire season's GDD in 2012 (3,866 GDD at Nebraska City, 3,081 GDD at Lexington, and 3,566 GDD at Brule) versus 2008 (3,243, 2,966 and 2,903, respectively). In addition, comparing the earliness of the season for Nebraska City for example, 271 GDD had been accumulated by April 1, 2012, while it took until April 27 in 2011, April 17 in 2010, April 25 in 2009 and May 6 in 2008 to reach 271 GDD.

Northeast Nebraska Regional 1020 Program and Northern Grapes Project

1. The major planting of the NE-1020 and Northern grapes projects are located on a commercial vineyard that suffered extreme damage from herbicide drift. As a result, crop yield was reduced to a great extent across the plantings.
2. However, there were significant differences in degree of injury among cultivars and numbered selections. Ratings were taken and a report on the relative damage will be included in the next issue of the Nebraska *VineLines* and will be presented at the 16th Annual Nebraska Grape and Winery Annual Forum and Trade Show in Kearney, Nebraska. A preliminary report will be presented at the Pesticide Drift Seminar on November 3, 2012.

3. Numbered selections from the University of Minnesota breeding program exhibiting promise included MN 1220 and MN 1235. Feedback will be given to breeders at the U of MN and at the NE-1020 meeting to be held November 14 & 15, 2012.
4. Vertebrate pests (birds) were effectively controlled by netting, but some depredation resulted from raccoon foraging.

Comparisons of Trellis Systems and Components

1. Based upon studies at Czechland Vineyards and UNL sites, Frontenac and Marguette are recommended to be trained to a Geneva Double Curtain or High Cordon system. Yields have been consistently higher than VSP with no diminution of fruit quality.
2. Commercial steel vineyard posts appear to be adequate, although the posts that were installed at a commercial vineyard exhibited some bending in 2012.
3. Duraline trellis “wire” was difficult to work with, especially when tightening. This trial may be observed at the UNL Viticulture Program’s planting on East Campus.

Mulch and Ground Cover Studies

1. Distillers grains gave almost 100 percent weed control in 2011, but less suppression in 2012.
2. Crushed glass provided excellent weed control in both years, but some grassy weeds pushed through the mulch in 2012.
3. There were notable differences in soil moisture retention in both mulch systems when compared to the glyphosate control and the ground cover treatments.
4. Measurements of plant moisture content indicated benefits of the mulch treatments.
5. Pruning weights were not significantly different among treatments following mulch applications in year one (2011). They will be monitored again following the 2012 growing season.

Bud Break Delay using Vegetable Oil and NAA

1. The mild winter and rapid advancing spring led to less delay compared to previous years.

2. Naphthalene Acetic Acid (NAA) delayed bud break more than the Amigo Oil on Edelweiss grapevines, but both gave from two to five days delay (a few individual plants had up to nine days delay).
3. Three applications were superior to single applications for the NAA treatments.
4. This experiment will be repeated in the 2012 – 2013 winter with improved statistical treatment, including additional replications and randomization. It is expected that the coming winter will provide more challenging environmental conditions and lead to more significant differences. Additional cultivars and locations will also be considered.

Ozone Treatments in the Vineyard

The UNL Viticulture Program is cooperating with James Arthur Vineyards, Mac's Creek Vineyards and the Ozein Company to evaluate the relative utility of ozone sprays in the vineyard. It is recognized that treatments of ozone are effective in winery sanitization, so it is anticipated that benefits will be achieved in vineyards. Exploratory experiments were initiated at James Arthur Vineyards following promising results obtained by Mac's Creek Vineyards and Winery during the 2012 growing season. More extensive trials will be installed at James Arthur Vineyards in the 2013 growing season.

Educational Programming

A Field Day focused on Sprayer Technology was conducted at the Geo. Spencer Vineyards in Gibbon, Nebraska, on July 28, 2012. A UNL Weed Specialist presented an extensive and informative program on sprayer equipment and appropriate application technology to achieve maximum pest control while minimizing potential threat to neighboring fields and crops. Ernie Wilkink, owner of the Ozein Company, discussed the potential benefits of using ozone sprays in the vineyard. Use of an ozone sprayer was demonstrated in the vineyard.

Workshops

A workshop is in the planning stages. A probable date is November 3, 2012. Mechanization in the Vineyard is the tentative topic, pending speaker availability.

16th Annual Winery and Grape Growers Forum and Trade Show

Plans are well under way for the 16th Annual Winery and Grape Growers Forum and Trade Show, which will be held in Kearney, Nebraska, February 28 – March 2, 2013. The theme is "Growing a Business (The Nebraska Way)." Several speakers have agreed to participate. Advice from the NWGGA has been considered and additional suggestions are welcome.

VineLines Newsletter

The Nebraska *VineLines* Newsletter has been converted to an email system. Individuals wishing to receive a hard copy can do so by sending a request to Kathy Schindler (kschindler@unl.edu or (402) 472-1508).

Teaching at UNL

Students continue to be enthusiastic about HORT/NUTR 471/871, Vines, Wines and You. Maximum class size reaches its limit on the first day of registration. NWGGA's assistance is appreciated, as well as John Barker (The Still), The Country Club of Lincoln and UNL Professor Ian Newman. Student numbers have also continued to increase in HORT 352, Physiology of Horticultural Crops; HORT 353, Vegetable Crops Laboratory; and HORT 354, Fruit Crops Laboratory.

Mac's Creek Vineyards and Winery – Cold Hardiness Study

Mac's Creek Vineyards and Winery provided a brief report regarding the results of their cold hardiness study. It was reported that last year's study results indicated that a 14-day delay can be attained with two Amigo Oil applications while no significant delay resulted from a single application. The first application was applied on March 29th and a second application was on April 5th. A third application was not needed. The study was to determine the effects of single versus multiple applications. It was assumed that the cost benefit analysis by applying Amigo Oil for year 1 indicated a revenue savings of \$46,200. After 5 years, a savings of \$231,000. The unusual weather conditions of the past winter and spring seasons have made it difficult to determine whether these results can be replicated and expected in future years. This study will need to be conducted again to obtain more concrete data. It was mentioned that Amigo Oil does not delay harvest dates, but increases harvest weights. More information about this study is available through a power point presentation that was provided by Max McFarland.

Mac's Creek Vineyards and Winery will also test the Amigo Oil application on Nebraska fruit trees at Cardinal Orchards and Reno Ridge Vineyards located in Eddyville and Cozad, Nebraska, respectively. This project has not yet begun.

Mac's Creek Vineyards and Winery – Ozone Technology

Mac's Creek Vineyards and Winery has concluded collecting data for the use of ozone technology to control viticulture diseases. Numerous charts were shown detailing the project's impact. The cultivars selected for this project were divided into three groups.

1. The Control Group did not receive any spray treatment of any kind.
2. Treatment Group #1 received normal chemical spray as per the vineyard's usual spray program.

3. Treatment Group #2 only received ozone spray treatment.

It was conclusive that Treatment Group # 2 showed no signs of mildew or disease. As more research is conducted, it is anticipated that this technology will reduce or eliminate the application of chemicals to control diseases. If this research continues to prove successful, it will enhance sustainability, reduce the carbon footprint, enhance the positive image of Nebraska's grape and wine industry, and protect grape and wine consumers.

Mac's Creek Vineyards and Winery will also test the ozone application on Nebraska fruit trees at Cardinal Orchards and Reno Ridge Vineyards located in Eddyville and Cozad, Nebraska, respectively. This project has not yet begun.

Max has been invited to present the results of his Amigo Oil and Ozone Technology studies at the VitiNord 2012 International Cold Climate Grape Growing Conference held in Germany and Poland in November 2012. More information about this conference and Max's presentation will be available at

<http://midwestwinepress.com/2012/12/16/cold-climate-grape-brainstorming-in-europe/>.

Nebraska Tourism Commission's Report

Karen Kollars reported on the upcoming events sponsored by the Nebraska Tourism Commission. The Agri/Eco-Tourism Workshop is currently scheduled for February 5 – 6, 2013. The event will be held at the Sandhills Convention Center in North Platte.

Additional information can be found at

http://industry.visitnebraska.org/index.php?option=com_content&view=article&id=9&Itemid=56.

The Nebraska Tourism Commission's Strategic Plan has been released. Marketing grants totaling \$125,000.00 are targeted towards three main areas. These categories are:

- 1) New Events
- 2) Regional Events
- 3) Marketing Events

A new category could be created or added, but a discussion with the Commission may be required.

Karen said now would be a good time to plan ideas for next year. Terry made a motion to appoint a representative from the Board and the NWGGA to attend a Round Table discussion with the Nebraska Tourism Commission at the Agri/Eco-Tourism Workshop. The intent of the sub-committee would be to cooperate with one another so that the activities can complement one another. Ellen seconded the motion. The motion carried.

New Business

2012 – 2013 Fiscal Year Report

Casey also handed out the Board's October 2012 – 2013 fiscal report. Currently, it is estimated that the Board will carryover \$39,448 into the next fiscal year. The Board estimates to collect \$171,400 in total revenue this fiscal year. This will give the Board a total available cash balance of \$263,238. Ellen made a motion to approve the report. It was seconded by Bart. The motion carried.

2011 – 2012 Annual Report

Ruth will work on compiling the 2011 – 2012 Annual Report. When compiled, it will be sent to the Board for approval. Copies of the report will be sent to the Executive Director of the Nebraska Liquor Control Commission, all 49 State Senators, NWGGA Board President, and UNL. It will also be posted to the Board's website at www.grapeandwineryboard.nebraska.gov.

Discuss allocations of Funding for 2012-2013 Fiscal Year

The proposals approved for funding for the 2012 – 2013 fiscal year are as follows:

NWGGA Executive Management Services	\$36,000.00
NWGGA Regional Wine Festivals	\$10,000.00
NWGGA Economic Impact Study	\$12,000.00
NWGGA Education Program	\$10,000.00
NWGGA Marketing Program	\$20,000.00
NWGGA Passport Program 2012 – 2013	\$10,000.00
NWGGA WQA Program	\$24,000.00
UNL Viticulture Program	\$53,761.00
Mac's Creek Vineyard & Winery	
a. Amigo Oil: Single vs. Multiple Applications	\$5,975.00
b. Increasing Sustainability of Viticulture in Nebraska by "Going Green"	\$7,300.00
c. Cold Hardiness: It Takes More Than A Cold Hardy Cultivar An Orchard Application	\$6,605.00
d. Increasing Sustainability of Viticulture in Nebraska by "Going Green"	\$6,395.00
e. Using Ozone Technology to Reduce Pesticide Usage in Nebraska Small Fruit Orchards	\$9,400.00

President-Elect Al Vybiral, on behalf of the NWGGA, requested additional funding from the Board to increase their Executive Director's salary, which has now been classified as a full-time position. An additional \$20,000.00 was requested, which would increase the Executive Director's annual salary to \$56,000. The NWGGA promised to provide an additional \$4,000 (including benefits) to raise the annual salary to \$60,000. This position is intended to be the "Voice of the Industry" and will manage the day-to-day operations of the Association. The Board agreed that funding this position is a priority for the industry. In an effort to satisfy this request, Max made a motion that the Board allocate an additional \$10,000 to the NWGGA to increase the Executive Director's salary. The Board will then reconvene in the spring of 2013 with the highest intent to fund yet an additional \$10,000, assuming funding availability. Ellen seconded the motion. The motion carried. The Board agreed that funding this position in the future is the highest funding priority for the Board.

Casey Foster mentioned the start of a *Nebraska Agriculture Magazine*. This magazine, which will be published once a year for five years, is designed to promote Nebraska's agricultural industry. Magazines will be available free of charge and is designed to inform the public about the importance of Nebraska's agricultural industry. The magazine is funded by magazine advertisement sales. A one page ad located on the second page of the magazine, adjacent to the Table of Contents, will cost \$6,000. Max made a motion to split the cost of the ad with the NWGGA 50/50. Bart seconded the motion. The motion carried.

Other Business

Max made a motion to have the Fiscal Year 2013 – 2014 Request For Proposals available at the 16th Annual Nebraska Winery and Grape Growers Forum and Trade Show at the Kearney Holiday Inn, which will be held February 28 – March 2, 2013. All RFP's are to be postmarked or sent electronically to Ruth Anderson by May 1, 2013. Terry seconded the motion. The motion carried. The Board will review all submitted proposals at the end of May or first part of June.

Adjourn

Max made a motion to adjourn and Terry seconded it. Motion carried. The meeting adjourned at 8:00 p.m.

Nebraska Grape and Winery Board Meeting Minutes
Wingate Inn
108 3rd Avenue
Kearney, NE 68845
May 30, 2013
5:00-9:00 p.m.

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

Ex-Officio Members Present: Casey Foster, Nebraska Department of Agriculture
Board Services Contractor Present:
Ruth Anderson

Guests Present: Dr. Paul Read, University of Nebraska – Lincoln
Jennifer Montgomery, NWGGA Executive Director
Al Vybiral, NWGGA President
Seth McFarland, NWGGA
Karen Kollars, Nebraska Tourism Commission

Call to Order

Max McFarland called the meeting to order at 5:09 p.m.

Approve Agenda

The agenda was reviewed by the Board. It was moved and seconded by Bart and Terry respectively, that the agenda be approved. The motion carried.

Approve Minutes of November 2nd, 2012 Meeting

Ellen made the motion to approve the minutes. Terry seconded the motion. The motion carried.

Public Notice

It was noted that the date, time, and location of this meeting was published in *The Norfolk Daily News*, *Star Herald*, *North Platte Telegraph*, *Beatrice Daily Sun* and *Grand Island Independent*.

Old Business

Election of Officers for 2013-2014

Ellen made the motion to re-elect Max McFarland as Chairman. Bart seconded the motion. The motion carried. Ellen also made a motion to elect Bart as Vice-Chair and Terry Ryan as Secretary/Treasurer. Dave seconded the motion. The motion carried.

Wine Quality Assurance Program

NWGGA intended to accomplish the major components of this project during the 2012-13 fiscal year. Listed below were the three components:

- a. Sensory/Hedonistic Panel Evaluation
- b. Educational Follow-Up
- c. Chemical Analyses of Wines

The Sensory/Hedonistic Panel Evaluation is complete. The NWGGA worked with Stephen Menke, who served as the project consultant. The first step involved assembly of a Wine Sensory Quality Assurance Panel. Nebraska wineries were able to submit wines for evaluation. Wines were evaluated in a laboratory by trained panelists from a Hedonistic Panel (smell and taste) and from a Quantitative Faults Panel (smell only). Once completed, the scores were tabulated and combined to provide an aggregate overview of the quality of Nebraska's commercial wines. The intent is to identify any wine flaws associated with each variety so corrections can be made to improve the quality of Nebraska wines. This step is complete.

The second step will involve an educational workshop for Nebraska winemakers. There will be 2, 2 day seminars that will serve as a follow-up to the wine evaluations. The projected dates are June 16 – 23, 2013. It will provide resources to assist wineries in addressing problems that result in wine flaws. It is anticipated that the information provided at the workshop will be used to make adjustments or corrections to wine productions, if necessary. This is anticipated to be completed in June of 2013. Approximately \$6,000 of the \$24,000 grant allocated to this project is expected to be expended by June 30, 2013.

The third step involves a chemical analysis of Nebraska wines in a laboratory. Chemical tests will be run to identify acidity, bacteria, glucose, fructose, and other ingredients that are included in bottled wines. This step will not be completed during the 2012-13 fiscal year.

Nebraska Winery and Grape Growers' Association (NWGGA) Project Updates

NWGGA's Executive Director, Jennifer Montgomery, was introduced to the Board. She reported on numerous events.

- Nebraska Wine and Grape Growers hosted a legislative dinner in Lincoln during the month of February, which was a success. Approximately 25 Nebraska Senators attended.
- The 2013 Nebraska Winery and Grape Growers Forum and Trade Show experienced a higher number of vendors and attendees than the previous year.
- Nebraska's Wine Passport Programs were released.
- Potential State Wine Festival – "Blur Parties," which is an event planner from Lincoln, will be the entity NWGGA will be working with. Mahoney State Park was mentioned as the possible location for this event.
- NWGGA's website is in the process of being updated with all the information needed to implement a Grower's Forum and a mobile website application.
- The release of the first edition of NWGGA's quarterly newsletter will take place in June.
- Two NWGGA field days were held at Mac's Creek Winery and Vineyards and James Arthur Vineyards.
- Jennifer wants to start a Marketing Education seminar series. One possible seminar topic would address labeling requirements and compliance. Wine labels—which must be pre-approved by the Alcohol and Tobacco Tax and Trade Bureau (TTB)—are an important source of information for consumers.

Seth McFarland reported that the NWGGA's Economic Impact Study has received some bids. The monetary difference between a private business bid versus a UNL bid to is currently being evaluated. UNL will likely receive the bid, but \$12,000 in Nebraska Grape and Winery Board funds during the FY 2013 -13 would be needed to complete this project.

The Travel Buddy Project with *Nebraska Life Magazine* was canceled. NWGGA will be working with another company to create this marketing piece.

It was also mentioned that, in June, an Interim Study focusing on Pesticide Drift may be conducted.

University of Nebraska – Viticulture Program Project Updates

Paul Read provided a report of the UNL Viticulture Program Projects. Below is a summary of the projects he is working on.

Research continues on cold hardiness study, disease and pest management, canopy management, spring bud-break studies, trellis construction, mulch and ground cover as well as many more areas

- Experimental vineyards are located at Nemaha, Peru and Nebraska City, with the focus on 14 year old vines or older
- On-vineyard research is conducted with commercial vineyards of Nebraska

- Campus-based research is studying the propagation for new and difficult cultivars along with studies of juice components, and fruit wine projects
- NE-1020 National Project is the testing of the same cultivars in several states under previously agreed upon vineyard conditions. Long-range goals include evaluation of fruit quality parameters and winemaking potential of the grapes produced in the project.

Educational programs include the following:

- Informative website <http://agronomy.unl.edu/viticulture>
- Nebraska Vine Lines electronic newsletters published 4 to 6 times per year
- Field days – Local field days to be held throughout the state to address timely topics and local problems (in collaboration with the NWGGA Growers Council)
- Annual Forum and Trade show conducted in collaboration with the NWGGA
- Specific-topic workshops
- Other Extension – vineyard and winery visits based upon requests and funding available
- Radio, television, news releases and UNL Speakers Bureau, promoting Nebraska wines and grape products.
- Collaboration with the Nebraska Department of Agriculture and the UNL Conservation and Survey Division to develop the Pesticide Sensitive Crop Locater. This collaboration used our inputs regarding grapes as a model that resulted in this website now known as Driftwatch

Teaching:

- Vines, Wines and You (HORT/NUTR 471/871) three sections
- Horticultural Crop Physiology (HORT 352)
- Vegetable Crop Production (HORT 353)
- Fruit Crop Production (HORT 354)
- Graduate courses are also taught. Advising M.S. and PhD students is also an important part of Dr. Read's assignment.

Nebraska Department of Agriculture

The 2013 edition of the *Nebraska Agriculture and You Magazine* was handed out to meeting participants. The advertisement, co-sponsored by the Nebraska Grape and Winery Board and the NWGGA, was found adjacent to the Table of Contents page.

The Nebraska Department of Agriculture is also encouraging growers to register their premises on *Driftwatch*. Many growers signed up at the Nebraska Grape and Wine Forum and Trade Show in March. This project is ongoing.

Mac's Creek Winery and Vineyards

Seth McFarland gave a detailed report of the research projects they are currently conducting at Mac's Creek Winery and Vineyards. Below is a summary of their findings.

Amigo Oil Application on Orchards

This project is investigating the effectiveness as to whether the late winter spraying of Amigo Oil to dormant fruit trees can delay de-acclimating and/or early bud break resulting from warm temperatures so considerable damage from subsequent killing frosts can be avoided. Three groups of trees (crabapple, pear, and peach) have been identified and studied at each of the two orchard locations in Eddyville and Cozad, Nebraska.

Preliminary results for orchards

- One early application does not appear to delay bud break
- Two applications do not appear to delay bud break
- Three – four applications significantly delays bud break on apple trees with a significance approach on pear trees

Progress Report

- All data has been collected and tabulated
- Data analysis will be completed by June 15th
- Plans are made to evaluate single to late applications next year
- All trees are alive and appear to have bloomed normally

Amigo Oil Application on Vineyards

This project is investigating the effects of applying Amigo Oil to dormant grape vines in order to delay bud break so considerable damage from cold temperatures can be avoided. This project is in its second year of investigating the effects of single versus multiple applications of the Amigo Oil to grape vines. Three cultivars (Marechal Foch, Brianna, and Edelweiss) are being tested in this study.

Edelweiss and deChaunac

- One application does not appear to delay bud break
- Two – four applications results in significant delay in bud break

Marechal Foch

- One early application does not appear to delay bud break
- Two, three and four applications results in a significant delay in bud break
- Control late pruning (April 1) – significant delay
- One application (late April 7) – significant delay
- No difference among four applications, controlled late pruning, and one late application – all appear to equally delay bud break
- Consistent with findings from Germany

Progress Report

- All data has been collected and is currently being tabulated and analyzed
- Analysis will be completed by June 15th
- Results have been disseminated at the following venues:

- VitiNord-International Cold climate Viticulture Conference in Neubrandenburg, Germany (November, 2012);
- Nebraska Winery and Grape Growers Forum and Trade Show in Kearney, Nebraska (March, 2013)
- Two Field Days, one at Mac's Creek Winery and Vineyards (Lexington) and one at James Arthur Vineyards (Raymond) (March 2013). Approximately 40 people attended the field days
- Collaborating with researchers in Bavarian Region (Southern Germany) who are conducting similar research trials

Ozone Application on Vines

The first ozone project is 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 thereby enhancing sustainability, reducing the carbon footprint, enhancing the positive image of Nebraska's grape and wine industry, and protecting the consumer.

Preliminary Results

- Treatment Group #2 (ozone sprayed) vines were consistently rated as having significantly less observable disease than the Control Group (no treatment)
- Treatment Group #2 vines were consistently rated as having significantly less observable disease than Treatment Group #1 (pesticide sprayed) vines
- Treatment Group #2 vines were consistently rated as having no insect presence
- Both the Control Group and Treatment #1 Group were rated with considerable presence of insects and Treatment #1 Group appears to be equally or more so impacted by insects as the Control Group

Progress Report

- All data from the 2012 growing season has been analyzed
- Vineyard is prepared to begin 2013 growing season research and data collection
- Four data points will be recorded by July 1, 2013
- Invited to present to European winery and grape growers in Burgundy, France
- Research trials will be set-up in June 2013
- Collaborating with University of Saskatchewan, Canada and North Dakota State University to analyze resveratrol elicitation in fruit resulting from ozone usage
- Collaborating with Colorado state University to analyze fruit quality
- Research trials scheduled to begin in Germany 2014

Progress Report

- Equipment was designed and built
- Application began late summer at James Arthur Vineyards (Raymond)
- Data analysis is complete
- Vineyard is ready to begin research for 2013 growing season. Spraying and data collection will begin June 1, 2013

Ozone Application on Orchards

The second ozone project is investigating the feasibility of utilizing ozone technology to control diseases in Nebraska fruit. Use of this technology would reduce or eliminate the application of chemicals to control such diseases thereby enhancing sustainability, reducing the carbon footprint, enhancing the positive image of Nebraska agriculture, and protecting the consumer.

Disease Control with Ozone: Orchard Application Progress Report

- Collaborating with ozone and sprayer consultants to design generator for orchard application
- Collaborating with horticulture consultants as to application parameters with orchard (apples and pears)
- Equipment is built and purchased
- Orchard is ready to begin research trials
- Data collection begins June 1st with four data points to be collected by July 1, 2013

Nebraska Tourism Commission's Report

2013 Visitor Center Program is a joint partnership between the NTC and the private sector to increase tourism opportunities and maintain year-round visitor center(s). During the summer of 2013 the following existing Visitor Centers will partner with the Commission: North Platte Visitors Bureau, Archway Monument of Kearney, Crane Trust Visitor Center near Wood River, Sarpy County Tourism office and the Sidney Visitor Center. There is a new certification program supported by the U.S. Travel Association for visitor center staff. Visitor Center applicants are seasonal / part-time staff and had to pass the certification exam. NTC has trained 25 Travel Counselors. These certified counselors will staff the above private center visitor centers along with the following I-80 Visitor Centers: Brady Westbound / Cozad Eastbound / Kearney East and Westbound / Melia Hill (Ashland) / Ogallala East and Westbound / York Westbound. If folks missed the brochure swap they can find distribution guidelines on the website under the Industry Section or contact Karen Kollars.

NTC is currently involved in a tourism impact study with Dean Runyan Associates; results will be available this summer.

Three Requests for Proposals were released in April or May for marketing, public relations, and website. RFP's are currently being reviewed.

Media Tours were held across the state. September 2012 covered the east region, March covered the central region and June the western region. Positive editorial coverage about Nebraska as a vacation destination has appeared in more than 73 media outlets nationwide including *Midwest Living*, *American Cowboy*, *Daily Oklahoman*, *Albuquerque Journal*, *Nashville Tennessean*, *Minneapolis Star Tribune* and

the Coloradoan. Using advertising equivalency as measurement criteria, the Commission has already received a 5-1 return on the investment made to fund the tours. The western itinerary offerings will include scenic driving, historic sites, museums, nature-based attractions, wildlife watching, fishing and golf. Area to include: North Platte, Valentine, Chadron, Crawford, Alliance, Scottsbluff, Gering, Sidney, Ogallala, McCook and destinations in between.

2013 Passport Program kicked off on May 1st. It's a 5 month program that consists of 10 tours and 80 stops. More than 280 requests have been received for pre-ordered Passports. Partnership with Nebraska Hotel & Motel Association will provide lodging discounts to Passport participants. A partnership with Nebraska Lottery is providing new prizes for the program, including a drawing for 300 \$1 Nebraska Lottery "Scratch Tickets" for all participants, 19 and older with at least one stamp. More than 70 news articles have already been written about the 2013 Passport Program.

US Senior Open will be held July 8 – 14 at the Omaha Country Club.

Next Nebraska Tourism Commission meeting will be held in August at the Nebraska State Fair. The time and location is TBD.

The Nebraska Travel Conference is October 23-24, 2013 in Norfolk at the Divot Center. There have been some staff changes at NTC. New opportunities were taken by Tom Tabor, Chris Voss, and Shannon Peterson.

Board Services Contractor Update

Ruth requested final reports be emailed to her by June 15th. She is trying to collect final reports as far back as 2010-11. She also asked for all final invoices and bills be sent to Casey by June 15th.

New Business

Growers Survey

Jennifer Montgomery and Bart Holmquist volunteered to help pilot this survey. A motion was made by Ellen to partner with NWGGA to put a survey together by January 1, 2014. It was requested that NWGGA receive \$2,000.00 to pay for postage, tabulation, and other expenses associated with this survey. Dave seconded the motion. Motion carried

2012 – 2013 Fiscal Year Report

Casey handed out the Board's April 2013 fiscal report. Supporting documentation and all invoices need to be sent to Casey by June 15th. Dave made a motion to allocate an additional \$10,000.00 to the NWGGA's Executive Director's salary for the 2012 -13 fiscal year. Terry seconded the motion. Motion approved. Casey will write the

Amendment for that contract. Terry made a motion to approve the fiscal report. It was seconded by Dave. The motion carried.

Discuss allocations of Funding for 2012-2013 Fiscal Year

The proposals approved for funding for the 2012-13 fiscal year were as follows:

NWGGA Executive Management Services	\$56,000.00
NWGGA Regional Wine Festivals	\$10,000.00
NWGGA Economic Impact Study	\$12,000.00
NWGGA Education Program	\$10,000.00
NWGGA Marketing Program	\$20,000.00
NWGGA Passport Program 2012 – 2013	\$10,000.00
NWGGA WQA Program	\$24,000.00
UNL Viticulture Program	\$53,761.00
Mac’s Creek Winery and Vineyards	
a. Amigo Oil: Single vs. Multiple Applications	\$5,975.00
b. Increasing Sustainability of Viticulture in Nebraska by "Going Green"	\$7,300.00
c. Cold Hardiness: It Takes More Than A Cold Hardy Cultivar An Orchard Application	\$6,605.00
d. Increasing Sustainability of Viticulture in Nebraska by "Going Green"	\$6,395.00
e. Using Ozone Technology to Reduce Pesticide Usage in Nebraska Small Fruit Orchards	\$9,400.00

Review and Discuss Proposals Submitted for Fiscal Year 2013-2014

<u>Name of Applicant</u>	<u>Funding Requested</u>	<u>Funding Approved</u>
Nebraska Renewable Energy Systems	\$ 45,400.00	\$ 0.00
Midwest Wine Press	\$ 7,200.00	\$ 0.00
Bryan & Lori Meyer Vineyard	\$ 20,318.00	\$ 0.00
UNL Viticulture Program	\$ 69,619.00	\$ 59,004.00
Mac’s Creek Winery & Vineyards (JAV Ozone Research)	\$ 3,895.00	\$ 3,895.00
Mac’s Creek Winery & Vineyards (Amigo Oil: Single vs Multiple App Yr 3)	\$ 5,175.00	\$ 0.00
Mac’s Creek Winery & Vineyard (Ozone Research: Increased Sustainability)	\$ 6,400.00	\$ 6,400.00
Mac’s Creek Winery & Vineyards (Small Fruit Orchard: Amigo Oil)	\$ 4,845.00	\$ 0.00
Mac’s Creek Winery & Vineyards	\$ 7,100.00	\$ 7,100.00

(Small Fruit Orchard: Ozone Research)		
NWGGA Executive Director Salary	\$ 60,000.00	\$ 60,000.00
NWGGA Education Program	\$ 10,000.00	\$ 10,000.00
NWGGA Marketing Program	\$ 19,700.00	\$ 14,200.00
NWGGA Quality Assurance	\$ 6,510.00	\$ 24,510.00
NWGGA Grape Grower's Survey	\$ 2,000.00	\$ 2,000.00
NWGGA Economic Impact Study	\$ 12,000.00	\$ 0.00

A motion was made to adopt the 2013-14 budget that listed all of the revenue expenditures for the upcoming fiscal year. It was seconded by Bart. Motion carried.

Other Business

The 2015 VitiNord – International Cold Climate Viticulture Conference maybe held in Kearney or Lincoln and most likely in early November.

The next board meeting will be organized in conjunction with the 2013 Fall Conference on a Friday evening in November. Location and time will be decided at a later date and time.

Adjourn

Terry made a motion to adjourn and Bart seconded it. Motion carried. The meeting adjourned at 9:30 p.m.

**2012 – 2013
FISCAL
REPORT**

WINE & GRAPE PRODUCTION PROMOTION BOARD
JULY 1, 2012 - JUNE 30, 2013

DESCRIPTION	FY2012-13 BUDGET	JUNE, 2013	FY2012-13 YR-TO-DATE	YTD AS % OF BUDGET
BEGINNING CASH BALANCE	\$ 91,838	\$ 201,058.97	\$ 91,838.33	
REVENUE:				
Shipper License Fees	\$ 150,000	\$ 2,500.00	\$ 170,000.00	
Check-Off Fee	7,700	0.00	6,271.05	
Crushed Grape Fees	12,400	0.00	11,109.42	
Investment Interest	1,300	374.13	2,303.25	
Other Revenue	0	0.00	0.00	
Total Revenue	\$ 171,400	\$ 2,874.13	\$ 189,683.72	111%
TOTAL AVAILABLE CASH	\$ 263,238	\$ 203,933.10	\$ 281,522.05	
EXPENDITURES:				
Printing (Annual Report)	\$ 500	\$ 0.00	\$ 455.41	
Room Rental	354	55.00	55.00	
Board Meeting Notices	400	52.59	159.56	
NDA Fee Collection	2,500	0.00	1,605.79	
NWGGA Contracts				
NWGGA - Executive Management Services	46,000	5,000.00	43,300.00	
NWGGA - Regional Wine Festival	10,000	7,325.43	7,325.43	
NWGGA - Economic Impact Study	12,000	0.00	0.00	
NWGGA - Education Program	10,000	990.47	990.47	
NWGGA - Marketing Plan	20,000	6,992.24	6,992.24	
NWGGA - 12/13 Passport Program	10,000	9,667.94	9,667.94	
NWGGA - WQA Program	24,000	6,539.35	6,539.35	
UNL Contracts				
UNL - Viticulture Program	53,761	26,880.50	53,761.00	
Contracts (Misc.)				
Mac's Creek - Cold Hardiness Study (Vineyards)	5,975	5,975.00	5,975.00	
Mac's Creek - Ozone Project (Lexington)	7,300	7,300.00	7,300.00	
Mac's Creek - Cold Hardiness Study(Orchards)	6,605	6,605.00	6,605.00	
Mac's Creek - Ozone Project (Raymond)	6,395	6,395.00	6,395.00	
Mac's Creek - Ozone Project (Orchards)	9,400	9,400.00	9,400.00	
Journal Communications (NE Magazine Ad)	3,000	0.00	3,000.00	
Board Assistant	5,000	425.00	5,100.00	
Board Expense	3,600	722.17	3,287.45	
Total Expenditures	\$ 236,790	\$ 100,325.69	\$ 177,914.64	75%
Adjustment to Fund Balance	0		0.00	
ENDING CASH BALANCE	\$ 26,448	\$ 103,607.41	\$ 103,607.41	

*The ending cash balance is 100% invested in the short-term investment pool.

Percent of Fiscal Year Elapsed: 100%

FY11-12 Revenue to Date: \$179,692.78

FY11-12 Expenditures to Date: \$159,651.23

CONTRACTS

THE SECOND AMENDMENT TO THE AGREEMENT
BETWEEN THE
NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION
and
NEBRASKA DEPARTMENT OF AGRICULTURE
#18-13-190

THE AGREEMENT, effective July 1, 2012, and amended on November 26, 2012, between the Nebraska Winery and Grape Growers' Association and the Nebraska Department of Agriculture shall be amended as follows:

Section 1 shall be amended to read:

1. The Nebraska Grape and Winery Board approved fifty-six thousand dollars (\$56,000) from the Winery and Grape Producers' Promotional Fund to fund an Executive Director position, which is designed to increase the competitiveness and sustainability of Nebraska's grape and wine industry. An amount of fifty-six thousand dollars (\$56,000) will be used to pay for the salary of the NWGGA's Executive Director position.

Section 4 shall be amended to read:

4. Payment in the amount of fifty-six thousand dollars (\$56,000) 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.

The Second Amendment shall become effective as of the date of last signature.
DEPARTMENT OF AGRICULTURE

Date

Greg Ibach, Director

NEBRASKA WINERY AND GRAPE
GROWERS' ASSOCIATION

Date

Alan Vybiral, President

S:\AGD_WP\Grape & Wine Ind. Cont\Contracts\2012-13 Contracts\SecondAmendToAgree18-13-190_053113.doc

THE FIRST AMENDMENT TO THE AGREEMENT
BETWEEN THE
NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION
and
NEBRASKA DEPARTMENT OF AGRICULTURE
#18-13-190

THE AGREEMENT, effective July 1, 2012, between the Nebraska Winery and Grape Growers' Association and the Nebraska Department of Agriculture shall be amended as follows:

Section 1 shall be amended to read:

1. The Nebraska Grape and Winery Board approved forty-six thousand dollars (\$46,000) from the Winery and Grape Producers' Promotional Fund to fund an Executive Director position, which is designed to increase the competitiveness and sustainability of Nebraska's grape and wine industry. An amount of forty-six thousand dollars (\$46,000) will be used to pay for the salary of the NWGGA's Executive Director position.

Section 4 shall be amended to read:

4. Payment in the amount of forty-six thousand dollars (\$46,000) 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.

The First Amendment shall become effective as of the date of last signature.
DEPARTMENT OF AGRICULTURE

Date

Greg Ibach, Director

NEBRASKA WINERY AND GRAPE
GROWERS' ASSOCIATION

Date

Seth McFarland, President

S:\AGD_WP\Grape & Wine Ind. Cont\Contracts\2012-13 Contracts\AmendToAgree18-413-190_110212.doc

AGREEMENT

between

NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-190

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 funding from the Nebraska Grape and Winery Board to NWGGA to fund an Executive Director position 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 thirty-six thousand dollars (\$36,000) from the Winery and Grape Producers' Promotional Fund to fund an Executive Director position, which is 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 position.

2. Duration of Agreement. This Agreement shall be in force and effective from July 1, 2012, to June 30, 2013.
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 thirty-six thousand dollars (\$36,000) 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 the Executive Director position. 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.

- 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

Seth McFarland, President

nwggcontract-execdir_070112.doc

AGREEMENT

between

NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-191

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 funding from the Nebraska Grape and Winery Board to NWGGA to conduct an economic impact study 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 NWGGA to hire a research analyst to conduct a current economic impact study of the production of wine and grapes in Nebraska.

A number of years have past since the previous impact study was released. A new report will gauge where the industry stands in the current business climate.

2. Duration of Agreement. This Agreement shall be in force and effective from July 1, 2012, to June 30, 2013.
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 twelve thousand dollars (\$12,000) 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 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. 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

Seth McFarland, President

S:\AGD_WP\Grape & Wine Ind. Cont\ \Contracts\2012-13Contracts\inwggacontract-economicimpactstudy070112.doc

AGREEMENT

between

NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-192

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 funding from the Nebraska Grape and Winery Board to NWGGA to develop a marketing program.

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 twenty thousand dollars (\$20,000) from the Winery and Grape Producers' Promotional Fund to NWGGA to develop a marketing program. The purpose of the program is to help direct the NWGGA in developing a consistent brand strategy for Nebraska wines sold on quality, not low prices.

The objectives of this project consist of promoting the quality of Nebraska wines, increasing the total percent of Nebraska wines sold within the state,

turning the novelty of less familiar wine varieties into an advantage, and emphasizing the Quality Assurance Program among NWGGA members. Since one of the main challenges facing Nebraska wineries is attracting consumers to tasting rooms, increasing tourist traffic is a priority. Many of the tasting rooms are located in low population areas; therefore, the success of Nebraska wines depends not only on individual tasting rooms' marketing practices, but also on partnerships with local businesses, festival organizers, and other area attractions that foster regional development.

A detailed marketing and branding campaign of Nebraska wines will promote the quality and desirability of Nebraska wine products to consumers in Nebraska and across the country.

2. Duration of Agreement. This Agreement shall be in force and effective from July 1, 2012, to June 30, 2013.
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 twenty thousand dollars (\$20,000) 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 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

Seth McFarland, President

S:\AGD_WPI\Grape & Wine Ind. Cont\Contracts\2012-13 Contracts\nwggcontract-marketingplan070112.doc

AGREEMENT

between

MAC'S CREEK VINEYARD AND WINERY

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-193

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 funding from the Nebraska Grape and Winery Board to the Vineyard for research activities that are designed 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 five thousand nine hundred seventy-five dollars (\$5,975) from the Winery and Grape Producers' Promotional Fund to assist the Vineyard in paying for a cold hardiness study.

Similar to previous years, this project will investigate the effects of applying Amigo Oil to dormant grape vines in order to delay bud break, so considerable damage from cold temperatures can be avoided. However, minimal research, with inconclusive and equivocal results, has attempted to evaluate the number of applications necessary to maximize these results.

Last year's pilot study results indicated that a 14-day delay can be attained with two applications while no significant delay resulted from a single application. While these results are valid, the unusual weather conditions of the past winter and spring seasons have made it impossible to determine whether these results can be replicated and expected in future years. Therefore, this project will begin the second year of investigating the effects of single versus multiple applications of the Amigo Oil to grape vines. The results from this study could make it possible for grape growers to significantly increase profitability without having to increase the number of acres planted. Specific research questions that will be addressed during this project will include:

- a. Is there a difference in the extent of bud delay when comparing single versus multiple applications across three cultivars in a commercial vineyard application?
- b. Is there a difference in the extent of bud delay when comparing single versus multiple applications within each of the three cultivars investigated (i.e., Marechal Foch, Brianna, Edelweiss)?
- c. Is there a difference in the degree of bud delay related to the number of applications?

Each of the three cultivars (Marechal Foch, Brianna, and Edelweiss) will be divided into four groups, by row, and will consist of at least 30 vines in each group. The Control Group will not receive an Amigo Oil application. Treatment #1 will receive a single application, Treatment #2 three, and Treatment #3 five.

Up to five thousand nine hundred seventy-five dollars (\$5,975) will pay for the costs associated with this project, which includes a research assistant, research consultant, Amigo Oil, labor, equipment leasing, mileage, and lodging.

2. Duration of Agreement: This Agreement shall be in force and effective from July 1, 2012, to June 30, 2013.

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 five thousand nine hundred seventy-five dollars (\$5,975) 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.
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 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;
 - (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 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

S:\AGD_WP\casey\Grape & Wine Ind. Cont\Contracts\2012-13 Contracts\ macscreekvineyards-singlevsmultiple_070112.doc

AGREEMENT

between

MAC'S CREEK VINEYARD AND WINERY

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-194

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 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 to conduct an ozone research project;

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 seven thousand three hundred dollars (\$7,300) 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 thereby enhancing sustainability, reducing the

carbon footprint, enhancing the positive image of Nebraska's grape and wine industry, and protecting the consumer.

Two cultivars will be selected for the study (Edelweiss and Brianna). Each cultivar will be divided into three groups.

- d. The Control Group will not receive any spray treatment of any kind.
- e. Treatment Group #1 will receive normal chemical spray as per the Vineyard's usual spray program.
- f. Treatment Group #2 will only receive ozone spray treatment.

Each group will be selected, by rows, in a block-style method. All vines will be managed in a manner consistent with normal growing season care for commercial vineyards prior to and during any treatment.

Specific research questions that will be addressed during this project will include:

- a. Is there a difference in disease control among groups when comparing the Control Group to Treatment Group #1 to Treatment Group #2 across both cultivars?
- b. Is there a difference in disease control among groups when comparing the Control Group to Treatment Group #1 to Treatment Group #2 within each cultivar?

Up to seven thousand three hundred dollars (\$7,300) will pay for the costs associated with this project, which include a research consultant, equipment rental, project coordination, set-up of research blocks and data collection, data entry and statistical analysis, mileage, and lodging.

- 2. Duration of Agreement: This Agreement shall be in force and effective from July 1, 2012, to June 30, 2013.
- 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 seven thousand three hundred dollars (\$7,300) 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 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;
 - (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

AGREEMENT

between

NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-195

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 funding from the Nebraska Grape and Winery Board to NWGGA to pay for 2012 – 2013 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 for the expenses associated with the 2012 – 2013 Passport Program.

NWGGA Passports list the locations and contact information of Nebraska wineries and tasting rooms. Consumers who tour participating locations

and purchase a wine tasting, receive a stamp from each visited location. If enough stamps are obtained, NWGGA provides gift cards, called "Winery Bucks," to those consumers. 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 July 1, 2012, to June 30, 2013.
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 2012 – 2013 Passport Program expenses.
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;
- (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

Seth McFarland, President

S:\AGD_WP\Grape & Wine Ind. Cont\Contracts\2012-13 Contracts\ nwggacontract-passportprogram070112.doc

AGREEMENT

between

NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-196

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 funding from the Nebraska Grape and Winery Board to NWGGA to promote and sponsor at least two (2) Nebraska wine festivals.

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 wine 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 NWGGA to provide for the financial underwriting of two (2) regional wine festivals in exchange for promotional recognition of NWGGA and Nebraska's grape and wine industry. Nebraska wineries will be invited to showcase their wines at the wine pourings held in conjunction with the festivals.

2. This Agreement shall be in force and effective from July 1, 2012, to June 30, 2013.
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 upon both parties signing this Agreement and NWGGA incurring purchase orders or contractual obligations. NWGGA shall present invoices to the Department from which payments shall be made.
5. NWGGA shall provide a written final report to the Department after the Agreement has expired and the project is complete. 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

Seth McFarland, President

S:\AGD_WP\Grape & Wine Ind. Cont\Contracts\2012-13Contracts\nwggcontract-winefestivals070112.doc

AGREEMENT

between

NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-197

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 funding from the Nebraska Grape and Winery Board to NWGGA to continue 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 twenty-four thousand dollars (\$24,000) from the Winery and Grape Producers' Promotional Fund to pay for activities that will continue in the development of a statewide Wine Quality Assurance Program. The activities will be multi-faceted, administered by a consultant, and developed in consultation with NWGGA member wineries.

Below are the three major components of this project:

- a. Sensory/Hedonistic Panel Evaluation
- b. Educational Follow-Up
- c. Chemical Analyses of Wines

The NWGGA will work with an enologist, who will serve as the project consultant. The first step will involve assembly of a Wine Sensory Quality Assurance Panel. Nebraska wineries will be able to submit wines for evaluation. Wines will be evaluated in a laboratory by trained panelists from a Hedonistic Panel (smell and taste) and from a Quantitative Faults Panel (smell only). Once completed, the scores will be tabulated and combined to provide an aggregate overview of the quality of Nebraska's commercial wines. The intent is to identify any wine laws associated with each variety, so corrections can be made to improve the quality of Nebraska wines.

The second step will involve an educational workshop for Nebraska winemakers. This will be a one- or two-day seminar that will serve as a follow-up to the wine evaluations. It will provide resources to assist wineries in addressing problems that are resulting in wine flaws. It is anticipated that the information provided at the workshop will be used to make adjustments or corrections to wine productions, if necessary.

The third step involves a chemical analyses of Nebraska wines in a laboratory. Chemical tests will be run to identify acidity, bacteria, glucose, fructose, and other ingredients that are included in bottled wines.

2. Duration of Agreement. This Agreement shall be in force and effective from July 1, 2012, to June 30, 2013.
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;
 - (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.
- 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

Seth McFarland, President

AGREEMENT

between

BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-198

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 funding from the Nebraska Grape and Winery Board for Viticulture Program research activities that are designed 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 wine 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-three thousand seven hundred sixty-one dollars (\$53,761) from the Winery and Grape Producers' Promotional Fund to pay for the viticulture technologist's salary and benefits, student hourly labor, fertilizers, chemicals, trellis materials, planting stock, drip irrigation, fuel and vehicle rental costs, travel expenses, and indirect costs involved in oversight and implementation of Viticulture Program activities. These activities 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. Mulch and ground cover studies;
 - 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; and
 - k. Educational programming, including the Annual Forum, workshops, field days, and formal UNL courses.
2. The overall goal of the Viticulture Program is to provide science-based research information that will assist in 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, 2012, to June 30, 2013.
 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-six thousand eight hundred eighty dollars and fifty cents (\$26,880.50) 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-six thousand eight hundred eighty dollars and fifty cents (\$26,880.50) 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, 2013, 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. The Viticulture Program 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

BOARD OF REGENTS OF THE
UNIVERSITY OF NEBRASKA

Date

Jeanne Wicks, Director
Sponsored Programs

S:\AGD_WP\Grape & Wine Ind. Cont\Contracts\2012-13 Contracts\unlviticulturecontract070112.doc

AGREEMENT

between

MAC'S CREEK VINEYARD AND WINERY

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-214

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 funding from the Nebraska Grape and Winery Board to the Vineyard to conduct an ozone research project to reduce pesticide use on Nebraska grown fruit trees at Cardinal Orchards and Reno Ridge Vineyards located near Eddyville and Cozad, Nebraska, respectively.

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 to conduct an ozone research project;

WHEREAS, the research activities conducted by the Vineyard will aid in the advancement of the growing, selling, marketing, and promotion of fruit produced in Nebraska for use in the wine industry; and

WHEREAS, both parties hereto desire to enter into this Agreement in order to further enhance Nebraska's fruit 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 nine thousand four hundred dollars (\$9,400) from the Winery and Grape Producers' Promotional Fund to assist the Vineyard in investigating the feasibility of utilizing ozone technology to control diseases in Nebraska fruit. Use of this technology would reduce or eliminate the application of chemicals to

control such diseases, thereby enhancing sustainability, reducing the carbon footprint, enhancing the positive image of Nebraska's agriculture, and protecting the consumer.

This project is to expand the ozone technology research from a vineyard to an orchard application, thereby applying this technology to Nebraska crabapple, pear, and peach trees. The goal is to investigate the efficacy of ozone application to control disease in a commercial orchard.

Specific research questions that will be addressed during this project which will include:

- a. Is there a difference in disease control among groups when comparing the Control Group to Treatment Group #1 to Treatment Group #2 across three (3) cultivars? This question will be answered by computing averages across ratings on all trees within each of the three (3) groups across three (3) cultivars and compared weekly. Average "presence of disease" will be compared (Treatment Group #1 compared to Control Group; Treatment Group #2 compared to Control Group; and Treatment Group #1 compared to Treatment Group #2).
- b. Is there a difference in disease control among groups when comparing the Control Group to Treatment Group #1 to Treatment Group #2 within each cultivar? This question will be answered by computing averages across ratings on all trees within each of the three (3) groups separately for each cultivar and compared weekly. Average "presence of disease" will be compared (Treatment Group #1 compared to Control Group; Treatment Group #2 compared to Control Group; and Treatment Group #1 compared to Treatment Group #2).

Three (3) cultivars will be selected for the study (crabapples, pears, and peaches). Each cultivar will be divided into three groups.

- a. The Control Group will not receive any spray treatment of any kind.
- b. Treatment Group #1 will receive normal chemical spray, as per the orchards usual spray programs.
- c. Treatment Group #2 will only receive ozone spray treatment.

Each group will be selected by rows in a block-style method. All trees will be managed in a manner consistent with normal growing season care for commercial orchards prior to and during any treatment.

Up to nine thousand four hundred dollars (\$9,400) will pay for the costs associated with this project, which include:

- a. Ozone consultant;
 - b. Plant pathology consultant;
 - c. Sprayer consultant;
 - d. Research consultant to create the research design, identify and mark sample groups on all three sites, train research assistant, monitor project throughout summer, interpret data, and create a final report;
 - e. Research assistant to collect and enter data on a weekly basis for statistical analysis;
 - f. Research analyst to analyze data; and
 - g. Site manager.
2. Duration of Agreement: This Agreement shall be in force and effective from September 17, 2012, to June 30, 2013.
 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 nine thousand four hundred dollars (\$9,400) 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 payments shall be made.
 5. The Vineyard shall provide a written final report to the Department by June 30, 2013. 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 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;
 - (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

AGREEMENT

between

MAC'S CREEK VINEYARD AND WINERY

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-215

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 funding from the Nebraska Grape and Winery Board to the Vineyard for a research activity that is designed to delay bud break on Nebraska fruit trees at Cardinal Orchards and Reno Ridge Vineyards located near Eddyville and Cozad, Nebraska, respectively.

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 orchard cold hardiness;

WHEREAS, the research activities conducted by the Vineyard will aid in the advancement of the growing, selling, marketing, and promotion of fruit produced in Nebraska for use in the wine 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 six hundred five dollars (\$6,605) from the Winery and Grape Producers' Promotional Fund to assist the Vineyard in paying for a cold hardiness study conducted on Nebraska fruit trees at Cardinal Orchards and Reno Ridge Vineyards located in Eddyville and Cozad, Nebraska, respectively.

This project will investigate the effectiveness as to whether the late winter spraying of Amigo Oil to dormant fruit trees can delay de-acclimation and/or early bud break resulting from warm temperatures so considerable damage from subsequent killing frosts can be avoided. The results from this study could make it possible for orchards to significantly increase profitability.

Specific research questions that will be addressed during this project will include:

- a. Is there a difference in delayed bud break among groups when comparing the Control Group to Treatment Group #1 to Treatment Group #2 across three cultivars?
- b. Is there a difference in delayed bud break among groups when comparing the Control Group to Treatment #1 to Treatment #2 within each cultivar?

Three groups of trees (crabapple, pear, and peach) will be identified at each orchard site. Each group will be selected by rows, in a block-style method. The sample trees will be pruned prior to the first application of Amigo Oil. The Control Group will not receive an application. Treatment Group #1 will receive application of Amigo Oil in a 5 percent water solution. Treatment Group #2 will receive application of Amigo Oil in a 10 percent water solution. The initial treatment will be applied on or about March 1, 2013, and reoccur approximately once every two weeks until bud break (approximately May 1, 2013).

Up to six thousand six hundred five dollars (\$6,605) will pay for the costs associated with this project, which includes:

- a. Amigo Oil and supplies;
- b. Plant pathology consultant;
- c. Sprayer consultant;
- d. Research consultant to create the research design, identify and mark sample groups on all sites, train research assistant, monitor project throughout summer, interpret data, and create a final report;
- e. Research assistant to collect and enter data on a weekly basis for statistical analysis:

- f. Research analyst for data analysis, consultation, interpretation, and/or preparation of a report; and
 - g. Site manager.
- 2. Duration of Agreement: This Agreement shall be in force and effective from September 17, 2012, to June 30, 2013.
- 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 by June 30, 2013. 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 six hundred five dollars (\$6,605) 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 invoices 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.
- 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 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;
 - (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 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

S:\AGD_WP\Grape & Wine Ind. Cont\Contracts\2012-13 Contracts\macscreekvineyards-coldhardinessstudy-orchards_091712.doc

AGREEMENT

between

MAC'S CREEK VINEYARD AND WINERY

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-216

This Agreement entered into by and between Mac's Creek Vineyard and Winery, hereinafter called the "Vineweyard" and the Nebraska Department of Agriculture, hereinafter called the "Department," provides funding from the Nebraska Grape and Winery Board to the Vineyard to conduct an ozone research project at James Arthur Vineyards, hereinafter called, JAV, located near Raymond, Nebraska. The project is designed to aid 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 to conduct an ozone research project;

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 three hundred ninety-five dollars (\$6,395) from the Winery and Grape Producers' Promotional Fund to assist the Vineyard in using ozone technology on multiple cultivars found at JAV. This study, which is in partnership between the two vineyards, will investigate 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 thereby enhancing sustainability, reducing the carbon footprint, enhancing the positive image of Nebraska's grape and wine industry, and protecting the consumer.

Four cultivars will be selected for the study, which include Edelweiss, Vignole, deChaunac, and St. Croix. Each cultivar will be divided into four groups.

- a. The Control Group will not receive any spray treatment of any kind.
- b. Treatment Group #1 will receive normal chemical spray as per JAV's usual spray program.
- c. Treatment Group #2 will only receive ozone spray treatment at the same schedule as the normal chemical spray program at JAV.
- g. Treatment Group #3 will receive both ozone and chemical spray treatments at alternating intervals.

Each group will be selected, by rows, in a block-style method. All vines will be managed in a manner consistent with normal growing season care for commercial vineyards prior to and during any treatment.

Specific research questions that will be addressed during this project will include:

- a. Is there a difference in disease control among groups when comparing the Control Group to Treatment Group #1 to Treatment Group #2 across multiple cultivars?
- b. Is there a difference in disease control among groups when comparing the Control Group to Treatment Group #1 to Treatment Group #2 to Treatment Group #3 within each cultivar?

Up to six thousand three hundred ninety-five dollars (\$6,395) will pay for the costs associated with this project, which include:

- a. Ozone consultant;
- b. Research consultant to develop research design, coordinate data collection, train research assistant, identify sample blocks, interpret results, and create a final report;
- c. Research assistant to collect and enter data on a weekly basis for statistical analysis;

- d. Data analyst to analyze all data; and
 - e. Site coordinator for labor/machine rental.
2. Duration of Agreement: This Agreement shall be in force and effective from September 17, 2012, to June 30, 2013.
 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 six thousand three hundred ninety-five dollars (\$6,395) 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 payments shall be made.
 5. The Vineyard shall provide a written final report to the Department by June 30, 2013. 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 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;
 - (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

S:\AGD_WP\Grape & Wine Ind. Cont\Contracts\2012-13 Contracts\macscreekvineyards-ozonoeproject-JAV_091712.doc

AGREEMENT

between

NEBRASKA WINERY AND GRAPE GROWERS' ASSOCIATION

and

NEBRASKA DEPARTMENT OF AGRICULTURE

#18-13-217

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 conduct an educational seminar to provide the latest industry-related best practices and other technological innovations to wineries and grape growers across the state.

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 approve up to ten thousand dollars (\$10,000) from the Winery and Grape Producers' Promotional Fund to NWGGA to conduct educational seminars focused on areas of interest for winery establishments and grape growers. The purpose is to provide the latest industry-related best management

practices and technological innovations to wineries and grape growers across the state.

A Pesticide Drift Seminar will be held at Southeast Community College on November 3, 2012. Attendees will learn about herbicide drift damage in Nebraska. Topics to be covered include, but are not limited to:

- a. Identifying herbicide drift;
- b. Caring for affected plants;
- c. Documenting loss to herbicide drift;
- d. Herbicide history and impact on grape vines;
- e. Economic loss of crop, vines, and sales;
- f. Nebraska Driftwatch web site;
- g. Nebraska sprayer training and certification;
- h. Northern Grapes Project; and
- i. Climate and technological advancements.

Funds are to be used to pay for expenses associated with this Seminar, including speaker honorariums, speaker expenses, meeting room costs, and seminar materials.

2. Duration of Agreement. This Agreement shall be in force and effective from July 1, 2012, to June 30, 2013.
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. NWGGA shall provide a written final report to the Department when the contract ends. 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

Seth McFarland, President

AGREEMENT

between

NEBRASKA GRAPE AND WINERY BOARD

and

RUTH ANDERSON

#18-13-179

This Agreement, entered into by and between the Nebraska Grape and Winery Board, hereinafter called the "Board," provides for funding from the Winery and Grape Producers' Promotional Fund to contract with Ruth Anderson, hereinafter called the "Independent Contractor," as the Nebraska Grape and Winery Board Services Contractor.

WHEREAS, the Nebraska Grape and Winery Board was created to:

1. 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. 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;
3. Authorize and approve the Nebraska Department of Agriculture's (NDA) expenditure of funds collected pursuant to §53-304;
4. Serve as an advisory panel to the Nebraska Liquor Control Commission in all matters pertaining to the wine industry; and
5. Adopt and promulgate rules and regulations to carry out §§53-301 to 53-305 of the Nebraska Grape and Winery Board Statute.

WHEREAS, for administrative purposes, Board funds are located in NDA and defined as the Winery and Grape Producers' Promotional Fund;

WHEREAS, all revenue credited to this 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; and

WHEREAS, the Nebraska Grape and Winery Board, under Neb. Rev. Stat. §§53-301 to 53-305, has conducted a public board meeting and directed NDA to prepare a contract with an Independent Contractor to further enhance and maintain the clerical responsibilities of the Board.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed by and between the parties that the Board approves funds to hire an Independent Contractor to perform the work and adhere to the guidelines listed in this Agreement.

TERMS OF AGREEMENT

Subject to the terms and conditions of this Agreement, the Board hereby engages the Independent Contractor to perform the services set forth herein, and the Independent Contractor hereby accepts such engagement.

The Agreement shall be in force and effective from July 1, 2012, to June 30, 2013, with four successive one-year options to renew. This shall include sufficient time to complete the schedule of the work proposed and complete additional tasks as identified by NDA and the Board. This Agreement will incorporate the complete understanding of the parties. Any modification of this Agreement will be in writing and executed by each party of the Agreement to be valid.

SCOPE OF WORK

The Independent Contractor will work closely with NDA on many projects as they relate to the grape and wine industry. The Independent Contractor will be charged to provide the following services. These services shall be termed "work" herein.

1. Collect and forward all project proposals to Board members.
2. Periodically monitor progression of Board-funded grant projects.
3. Collect final reports and invoices from grant recipients.
4. Submit invoices and receipts to NDA in a timely manner.
5. Prepare year-end documentation that includes funded project proposals, contracts, and final reports.
6. Compile Board contact information, meeting minutes, grant application instructions, news releases, fiscal reports, grants, bylaws, and Board statutes for assembly into the Grape and Winery Board's Annual Reports.
7. Write and compile Board meeting minutes, under direction of Board Secretary.

8. Ensure submission of Board Expense Reimbursement Requests to NDA.
9. Collaborate and communicate with NDA and the Board on a regular basis.
10. Schedule the location, dates, and times of all Board meetings and send this information to Nebraska print media outlets.
11. Coordinate and attend all Board meetings and some industry-related events.
12. Provide general administrative office support to NDA and the Board, as needed.

The Independent Contractor shall perform the work and accomplish such tasks as identified above. These will be designated as the responsibilities of the Independent Contractor. NDA and/or the Board may, from time to time, unilaterally increase or decrease the work to be performed. All of the provisions in this Agreement are intended to be complementary in nature, and any requirements mentioned by one and not mentioned in another section shall nevertheless be performed to the same extent as though required by all.

The Board acknowledges that the Independent Contractor's ability to carry out the work required is heavily dependent upon the Independent Contractor's past experience in the industry and in providing similar services to others.

INDEPENDENT CONTRACTOR RELATIONSHIP

The relationship of the Independent Contractor and the Board, under this Agreement, shall be that of principal and Independent Contractor. It is understood by both parties that the Independent Contractor is not an employee of the Board, and the Board assumes no responsibility beyond those specifically stated in this Agreement.

The Independent Contractor agrees to perform the work herein solely as an Independent Contractor. The parties to this Agreement recognize that this Agreement does not create any actual or apparent agency, partnership, franchise, or relationship of employer and employee between the parties. The Independent Contractor is not authorized to enter into or commit the Board to any agreements, and the Independent Contractor shall not represent itself as the agent or legal representative of the Board.

Furthermore, the Independent Contractor shall not be entitled to any remuneration, benefits, or expenses other than those specifically provided for in this Agreement. The Board shall not be liable for taxes, unemployment insurance, employers' liability, employer's FICA, social security, health benefits, vacation and sick leave benefits, profit sharing plans, withholding tax, or other taxes or withholdings for the Independent Contractor in performing the work under this Agreement. All such costs shall be the Independent Contractor's responsibility for the entire duration of the Independent Contractor's agreement with the Board.

WARRANTIES AND ASSURANCES

The Independent Contractor represents and warrants the following.

1. Does not have any outstanding final judgments against it by the State, including tax liabilities, and agrees that any payments incurred by the State in this Agreement may be applied against such liabilities currently working or incurred in the future.
2. The work will be performed in accordance with, and shall not violate, applicable laws, rules or regulations, and standards prevailing in the industry.
3. The work will be original, clear, and presentable in a timely manner.
4. Possesses the skills in time management, oral and written communication, and literary proficiency, as it relates to writing, spelling, punctuation, and proofreading.
5. Access to a personal computer is readily accessible, which includes, at a minimum, a word processor and an Internet connection.
6. Able to provide independent transportation to all Board meetings and some industry-related events.
7. Equipped with the requisite training, skills, and experience necessary to perform the work described herein.

The Independent Contractor and the Board have the full power and authority to enter into and perform their obligations under this Agreement. This Agreement is a legal, valid, and binding obligation of the Independent Contractor, enforceable against it in accordance with its terms.

COMPENSATION PACKAGE

In full consideration for the performance of the work hereunder, and for any rights granted or relinquished by the Independent Contractor under this Agreement, compensation shall be set at approximately ten hours per week, with a total value not to exceed five thousand dollars (\$5,000) by June 30, 2013. After the Agreement begins, it is understood that, if additional costs should be incurred or the total yearly value needs to increase, with the mutual written consent of all parties tied to the Agreement and provided resources are available, the Agreement may be amended.

The compensation package for this position will be used to pay for work performed, office supplies, communication equipment, travel costs, and other incidental expenses directly associated with the this position.

Payment in the amount of up to five thousand dollars (\$5,000) from the Winery and Grape Producers' Promotional Fund to the Independent Contractor will be payable, in full, by June 30, 2013, upon both parties signature to this Agreement and the Independent Contractor incurring an obligation. On a monthly basis, the Independent Contractor shall present invoices (not to exceed four hundred twenty-five dollars (\$425)) and progress reports outlining the Independent Contractor's activities to NDA from which payments shall be made. Funding for this position is subject to legislative appropriations and funding being available. Any unused funds shall be refunded to NDA and credited back to the Winery and Grape Producers' Promotional Fund, unless otherwise agreed. Furthermore, if the Independent Contractor fails to perform as outlined herein, the Independent Contractor shall be required to repay any unearned funds received under this Agreement.

INDEMNIFICATION

The Independent Contractor shall defend, indemnify, hold harmless, and insure the Board 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 Independent Contractor to perform such duties for the Board, as herein specified. This obligation shall survive the expiration or termination of this Agreement.

RECORD KEEPING

The books of account, files, and other records of the Independent Contractor, which are applicable to this Agreement, shall be available for inspection, review, and audit by NDA and the Board to determine the proper application and use of all funds paid to and for the account or benefit of the Independent Contractor.

The Independent Contractor 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 Independent Contractor shall retain the records beyond the five (5) year period until litigation, audit findings, or any claims have been fully resolved and the Board has agreed that such records no longer need to be retained.

The Independent Contractor specifically agrees that funds given to him or her shall be used only for the projects and purposes enumerated herein, and further acknowledges that expenditures shall not be used for political activity.

LEGAL COMPLIANCE

The Independent Contractor shall not:

1. Discriminate against recipients of services on the basis of race, color, religion, national origin, sex, disability, or age; and

2. Discriminate against any employee or applicant for employment on the basis of race, color, religion, national origin, sex, age, or qualified disability.

It is further understood and agreed that, if the Independent Contractor 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.

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

The Independent Contractor 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.

DRUG-FREE WORKPLACE POLICY

The Independent Contractor 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 Independent Contractor's 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.

TERMINATION

This Agreement may be terminated prior to the completion or achievement of the work by either of the parties hereto at any time by giving thirty (30) calendar days advance written notice to the other party. Any notices to either party, under this Agreement, shall be in writing and delivered by hand or sent by nationally recognized messenger service, or by registered or certified mail, postage pre-paid with return receipt requested, to the address of NDA and the Board Chair.

Upon termination by either party, the Independent Contractor shall provide to NDA any and all copies, in whole or in part, of the work (as they exist) and any and all tangible

materials the Board and/or NDA provided to the Independent Contractor in connection with this Agreement.

This Agreement is not assignable without the express written approval of the Board and becomes valid upon the date of the final signature.

Approved:

NEBRASKA GRAPE AND
WINERY BOARD

Date

Max McFarland, Board Chairman

RUTH ANDERSON

Date

Ruth Anderson, Independent Contractor

S:\AGD_WP\Grape & Wine Ind. Cont\2011-12 RFP\2012-2013BoardIndependentContractor_070112.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).
 - D. Promulgate and adopt rules and regulations to carry out Neb. Rev. Stat. §§53-301 to 53-305, LB 477.
 - E. Make and publish an annual report on, or before, January 1 of each year. The annual report shall set forth, in detail, those requisites required in LB 477, Neb. Rev. Stat. §53-305.
 - 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 2013 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

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

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) or (5) 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

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

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.

FARM WINERIES STATUTES

INDEX

<u>Section</u>	<u>Subject</u>
53-123.10.....	Farm winery license; when issued.
53-123.11.....	Farm winery license; rights of licensee; removal of unsealed bottle of wine; conditions.
53-123.12.....	Farm winery license; application requirements; fees.
53-123.13.....	Farm winery; waiver of requirement; when; conditions.
53-123.15.....	Shipping license; when required; rights of licensee; application; contents; violation; disciplinary action.

53-123.10 Farm winery license; when issued.

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 §§53-101.02 and 53-123.10 to 53-123.13.

Source: Laws 1985, LB 279, § 4.

53-123.11 Farm winery license; rights of licensee; removal of unsealed bottle of wine; conditions.

- (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.

Source: Laws 1985, LB 279, § 5; Laws 1991, LB 344, § 23; Laws 1997, LB 479, § 1; Laws 2003, LB 536, § 3; Laws 2006, LB 562, § 3; Laws 2008, LB1103, § 2. Effective date July 18, 2008.

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.

Source: Laws 1985, LB 279, § 7; Laws 1988, LB 1089, § 10; Laws 1991, LB 202, § 2; Laws 2000, LB 973, § 3.

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.

Source: Laws 1985, LB 279, § 6; Laws 1986, LB 871, § 2; Laws 1989, LB 441, § 5; Laws 1991, LB 344, § 24; Laws 1994, LB 859, § 5; Laws 2004, LB 485, § 13; Laws 2008, LB 1103, §3. Effective date July 18, 2008.

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 manufacturer who sells and ships alcoholic liquor from another state directly to a consumer in this state if the manufacturer satisfies the requirements of subsections (7) through (9) of this section. A person manufacturer who receives a license pursuant to this subsection shall pay the fee required in sections 53-124 and 53-124.01 for a manufacture 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 commission may issue a shipping license to any retailer who is licensed within or outside Nebraska, who is authorized to sell alcoholic liquor at retail in the state of domicile of the retailer, and who is not a manufacturer if such retailer satisfies the requirements of subsections (7) through (9) of this section to ship alcoholic liquor from another state directly to a consumer in this state. A retailer who receives a license pursuant to this subsection shall pay the fee required in sections 53-124 and 53-124.01 for a retail 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.

- (6) The application for a shipping license under subsection (2) or (3) of this section 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 sections 53-162 and 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, cancel, or revoke such shipping license for such period of time as it may determine.
- (7) The application for a shipping license under subsection (4) or (5) of this section shall be in such form as the commission prescribes. The application shall require an applicant which is a manufacturer, a craft brewery, a craft distillery, or a farm winery to identify the brands of alcoholic liquor that the applicant is requesting the authority to ship either into or within Nebraska. For all applicants, unless otherwise provided in this section, 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 or retailers 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 sections 53-162 and 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;
 - (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 or retailers, the commission may suspend, cancel, or revoke such shipping license for such

period of time as it may determine;

- (d) That the applicant agrees to notify the commission of any violations in the state in which he or she is domiciled and any violations of the direct shipping laws of any other states. Failure to notify the commission within thirty days after such a violation may result in a hearing before the commission pursuant to which the license may be suspended, canceled, or revoked; and
 - (e) That the applicant, if a manufacturer, craft brewery, craft distillery, or farm winery, agrees to notify any wholesaler licensed in Nebraska that has been authorized to distribute such brands that the application has been filed for a shipping license. The notice shall be in writing and in a form prescribed by the commission. The commission may adopt and promulgate rules and regulations as it reasonably deems necessary to implement this subdivision, including rules and regulations that permit the holder of a shipping license under this subdivision to amend the shipping license by, among other things, adding or deleting any brands of alcoholic liquor identified in the shipping license.
- (8) Any manufacturer or retailer who is granted a shipping license under subsection (4) or (5) of this section shall:
- (a) Only ship the brands of alcoholic liquor identified on the application;
 - (b) Only ship alcoholic liquor that is owned by the holder of the shipping license;
 - (c) Only ship alcoholic liquor that is properly registered with the Alcohol and Tobacco Tax and Trade Bureau of the United States Department of the Treasury;
 - (d) Not ship any alcoholic liquor products that the manufacturers or wholesalers licensed in Nebraska have voluntarily agreed not to bring into Nebraska at the request of the commission;
 - (e) Not ship more than nine liters of alcoholic liquor per month to any person in Nebraska to whom alcoholic beverages may be lawfully sold. All such sales and shipments shall be for personal consumption only and not for resale; and
 - (f) Cause the direct shipment of alcoholic liquor to be by approved common carrier only. The commission shall adopt and promulgate rules and regulations pursuant to which common carriers may apply for approval to provide common carriage of alcoholic liquor shipped by a holder of a shipping license issued pursuant to subsection (4) or (5) of this section. The rules and regulations shall include provisions that require (i) the recipient to demonstrate, upon delivery, that he or she is at least twenty-one years of age, (ii) the recipient to sign an electronic or paper form or other acknowledgement of receipt as approved by the commission, and (iii) the commission-approved common carrier to submit to the

commission such information as the commission may prescribe. The commission-approved common carrier shall refuse delivery when the proposed recipient appears to be under the age of twenty-one years and refuses to present valid identification. All holders of shipping licenses shipping alcoholic liquor pursuant to this subdivision shall affix a conspicuous notice in sixteen-point type or larger to the outside of each package of alcoholic liquor shipped within or into the State of Nebraska, in a conspicuous location, stating: CONTAINS ALCOHOLIC BEVERAGES; SIGNATURE OF PERSON AT LEAST 21 YEARS OF AGE REQUIRED FOR DELIVERY. Any delivery of alcoholic beverages to a minor by a common carrier shall constitute a violation by the common carrier. The common carrier and the holder of the shipping license shall be liable only for their independent acts.

- (9) For purposes of sections 53-160, 77-2703, and 77-27,142, each shipment of alcoholic liquor by the holder of a shipping license under subsection (3), (4), or (5) of this section shall constitute a sale in Nebraska by establishing a nexus in the state. The holder of the shipping license shall collect all the taxes due to the State of Nebraska and any political subdivision and remit any excise taxes monthly to the commission and any sales taxes to the Department of Revenue.
- (10) By July 1, 2014, the commission shall report to the General Affairs Committee of the Legislature the number of shipping licenses issued for license years 2013-14 and 2014-15. The report shall be made electronically.

Source: Laws 1991, LB 344, § 49; Laws 1994, LB 416, § 1; Laws 1995, LB 874, § 1; Laws 2001, LB 671, § 1; Laws 2004, LB 485, § 14; Laws 2007, LB 441, § 1; Laws 2010, LB 861, § 55; Laws 2010, LB 867, § 1; Laws LB 286, § 1; Laws 2013, LB 230, § 1.

S:\AGD_WPI\Grape & Wine Ind. Cont\Annual Report\2013\AnnualReport2013_120913.docx