

Nebraska Grape and Winery Board

Annual Report 2023

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BOARD OF DIRECTORS

Nebraska Grape and Winery Board of Directors

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Jim BallardVineyard Owner
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Ex-Officio Members

Casey Foster
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OVERVIEW OF ACTIVITIES

EXECUTIVE SUMMARY

The Board of Directors met in January and June 2023. The fiscal year began July 1, 2022, and ended June 30, 2023. 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.

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. For a complete list of all projects, and their respective amounts, please refer to the fiscal report found 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, support Nebraska Winery and Grape Growers Association (NWGGA) activities, and work 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, fiscal report, contracts, 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

APPROVED
MAY 2017

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Nebraska Grape and Winery Board Strategic Plan

Introduction and Process

This Strategic Plan marks the second plan developed by the Nebraska Grape and Winery Board (NGWB) since its inception in 2000. The Board of Directors, in collaboration with the Nebraska Department of Agriculture, developed this Strategic Plan. It provides the NGWB with a three- to five-year road map, guiding the board's decision and prioritization of issues upon which to focus efforts and resources. This Plan is intended to be a living, dynamic document subject to change or modification with new and/or additional input and the evolution of the industry and, thus, the board's vision. The board will review progress and update the plan annually or as needed. It is the intention of the board to, on an annual basis, identify priority items, actions, or objectives from each of the sections of this Strategic Plan to formulate the board's "Business Plan" for the year. This annual plan becomes the roadmap to guide and focus the board's efforts in the development of annual goals for implementation.

Structure

The board began by revisiting and reaffirming their belief in the Mission of the NGWB, which was first developed in the 2010 Strategic Planning process.

The Mission is followed by major areas of emphasis (Goals), which the board has identified. When it comes to prioritization, all five of these Goals are concurrently considered with equal and continuous focus of this board. However, when it involves board- funding allocation, the board has committed to Goal #1 as its highest priority. Additionally, each goal contains one or more specific action items or objectives. It was determined by the board that these objectives would not be prioritized. Instead, these objectives will be reviewed annually and potentially expanded upon to be considered in the board's annual prioritization process.

This document is not intended to be a stand-alone document nor is it a one-time effort. Once action strategies have been developed and implemented, commitment will be maintained, progress monitored, and adjustments made until the objectives have been reached. This plan demonstrates the commitment that is needed to provide an excellent standard of programs and budget allocations designed to continuously meet the needs of the industry.

Finally, this document functions within the greater context of additional entities and initiatives that impact the Nebraska grape and wine industry. This framework may be reflected in future Appendices attached to this document. Examples include, but are not limited to, the Nebraska Winery and Grape Growers Association's (NWGGA) Strategic Plan (2016), the most recent Industry Economic Impact Study (2015), and the Nebraska Grape Growers Survey.

Mission

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 winemaking 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 value-added 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 Nebraska 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

I. Industry leadership/management

Several goals of this Strategic Plan are dependent upon a strong collaborative relationship between the NGWB and the "action arm" of the state industry. This includes the NWGGA, which is the association that exclusively represents the Nebraska wine and grape industry. The accomplishment of these goals is not feasible without the continuity and consistency of vision across years of changing leadership of the state's industry. Supporting and funding NWGGA's Executive Director position is the board's highest priority.

II. Promotion of Nebraska wines

Promotion aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers. It is the process involved in creating a unique name and image for a product in the consumer's mind, mainly through advertising campaigns with a consistent theme. This is accomplished by raising the

Nebraska wine industry, and, thus, Nebraska wines, to a level of becoming knowable, likable and trustable.

Objectives:

1. Increasing the Marketability, Awareness and Accessibility of Nebraska Grapes and Wines

Strategies:

- a. Serve as an advocate for the industry.
- b. Develop brand recognition for Nebraska wines.
- c. Cooperation with the NWGGA to conduct intensive marketing strategies to promote the quality and value of Nebraska wines.
2. Encourage Wine Tourism
 - a. Encourage wine-related tourism developments by working with the Nebraska Tourism Commission.

III. Sustainability

This goal is all about assuring the capacity of the grape and wine industry to remain vibrant and robust through the enology and viticulture components. Sustainable development of the industry is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (UN World Commission on Environment and Development, 1987). Sustainability in the vineyard encompasses a whole host of topics including, but not limited to, cold climate grape cultivars, plant science, soil type, soil amendments, pest and weed control, irrigation, trade enhancements, food safety, best management practices, crop research, and conservation methods. Sustainability also pertains to wine quality. Winemakers will tell you that outstanding wine is made on the vine. However, when it comes to getting the “wine into your glass, it’s all about the winery” (Borg, 2013).

Objectives:

1. Enhancing the Quality of Wines

Strategies:

- 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 Quality Assurance process based on industry standards to identify quality wine, improve winemaking practices and continue to raise the quality of wine across the entire state industry.
 - c. Identify exceptional wines to create awareness of the quality of Nebraska wines with consumers while promoting the best of the Nebraska wine industry.
 - d. Support education opportunities to improve winemaking skills and processes.
2. Enhancing the Quality of Grapes

Strategies:

- a. Address threats to the grape growing industry (e.g., herbicide drift, resistant pesticides, climate conditions, etc.).
- b. Support education opportunities to improve cold climate cultivar selection, growing techniques, and management practices.
- c. Identify cost-effective strategies to improve the value/benefits of Nebraska grapes and wines.
- d. Survey growers and winemakers to determine which grapevine cultivars appear to be most profitable and successful.
- e. Determine hardy grape cultivars adaptive to Nebraska's soils and climate extremes.

3. Education: Promote the creation and discovery of new production practices by funding various projects and activities.

Strategies:

- a. Attend educational conferences.
- b. Fund research projects.
- c. Disseminate research findings to the public.
- d. Support and partially fund grower field day and conferences.
- e. Solicit and fund proposals to enable industry partners to enhance programs and the industry.
- f. Continue as an active partner with the NWGGA, which works to develop and organize the annual Association Education Conference.

4. Develop a culture of continuous improvement:

Strategies:

- a. Engage the board to develop and annually review and renew the Strategic Plan every three years (or more frequently as needed).
- b. Gain industry feedback and advice and identify areas for constructive improvement.
- c. Analyze other state-based farmer organizations and non-profit membership associations.

IV. 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. For administrative purposes, these funds are 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.

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. This individual is under the direction of the NDA.

Objective:

1. Investigate and implement programs utilizing diversified funding sources that continue to build and grow Nebraska's grape and wine industry.

Strategies:

- 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 approximately 70 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.

V. Collaboration/Communication

Today, global success is won not by firms acting alone, but by partnerships that promote joint planning, information sharing, open communication, collaboration and cooperation. A central challenge for the Nebraska wine industry is to continue cooperation and financial support to the NWGGA, which has been a pillar of strength for Nebraska's grape and wine industry. This partnership entails balancing individual mandates with the opportunities for promotion and research. This goal

involves the board advocating for the industry, with entities both within the industry and those external to the industry.

Objectives:

1. Encouraging Wine Tourism
 - a. Encourage wine related tourism developments by working with the Nebraska Tourism Commission and the NWGGA.
2. 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.
3. Maintain and increase NGWB agricultural partnerships
 - a. Define industry needs and develop cost-effective 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.
 - d. Engage into close working relationships with NDA, UNL, NWGGA and other entities or organizations that impact Nebraska's agricultural industry, (grape and wine industry in particular).
4. Advocacy
 - a. Increase awareness of the Nebraska grape/wine industry with entities both within the industry and those external to the industry.
 - b. Monitor and review the efficacy of the NGWB website on a monthly basis.
5. Make and publish an annual report on or before January 1 of each year, which sets 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 product and their byproducts grown and produced in Nebraska for use in the wine industry.
 - 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.

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 framework 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 including growers, winemakers, academia, government, 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.

MEETING MINUTES

Nebraska Grape and Winery Board Meeting Minutes		
January 4, 2023	5:00 p.m.	Chances "R" Restaurant & Lounge
Meeting called by	Nebraska Grape and Winery Board	
Type of meeting	Board Meeting	
Chairman	Jim Ballard	
Note taker	Casey Foster	
Attendees	Max McFarland, Dave Hanna, Connie Brittan, Jim Ballard, Mike Schilling, Casey Foster, Ashley Dempsey, Kevin Sherman, Alyssa Brodersen, Tim Nissen, Paul Read, Richard Hilske, Ron Haskett, Tim Nissen	
Call to Order		
Open Meetings Act	Public Notices were published in the <i>Beatrice Daily Sun</i> (12/23/2022), <i>Kearney Hub</i> (12/23/2022), <i>Grand Island</i> (12/22/2022), <i>Norfolk Daily News</i> (12/22/2022), <i>North Platte Telegraph</i> (12/22/2022).	
Approval of Agenda		
Discussion		
The meeting was called to order at 5:16 p.m. A motion was made to approve the meeting agenda.		
Motion to Approve	Second	
Max	Dave	
Roll Call Vote	For <input checked="" type="checkbox"/> Max <input checked="" type="checkbox"/> Dave <input checked="" type="checkbox"/> Connie <input checked="" type="checkbox"/> Mike <input checked="" type="checkbox"/> Jim	Against <input type="checkbox"/> Max <input type="checkbox"/> Dave <input type="checkbox"/> Connie <input type="checkbox"/> Mike <input type="checkbox"/> Jim
Election of Secretary		
Discussion		
Connie Brittan was nominated to fill the vacant position of board secretary. A motion was made to elect her to serve in this role.		
Motion to Approve	Second	
Max	Dave	
Roll Call Vote	For <input checked="" type="checkbox"/> Max	Against <input type="checkbox"/> Max

	<input checked="" type="checkbox"/> Dave <input checked="" type="checkbox"/> Connie <input checked="" type="checkbox"/> Mike <input checked="" type="checkbox"/> Jim	<input type="checkbox"/> Dave <input type="checkbox"/> Connie <input type="checkbox"/> Mike <input type="checkbox"/> Jim
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Approval of June 13, 2022 Meeting Minutes

Discussion
A copy of the June 13, 2022 meeting minutes was handed out to all board members to review. A motion was made to accept the minutes as presented.

Motion to Approve	Second
Max	Connie

Roll Call Vote	For	Against
	<input checked="" type="checkbox"/> Max <input checked="" type="checkbox"/> Dave <input checked="" type="checkbox"/> Connie <input checked="" type="checkbox"/> Mike <input checked="" type="checkbox"/> Jim	<input type="checkbox"/> Max <input type="checkbox"/> Dave <input type="checkbox"/> Connie <input type="checkbox"/> Mike <input type="checkbox"/> Jim

Public Comments/Activity Updates

University of Nebraska - Lincoln	Paul Read
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Paul Read provided an update on UNL activities.

High Tunnel Project

A new high tunnel project was constructed at Capital View Winery with a new specialty crop block grant evaluating the ability to grow vinifera grapevines in Nebraska. However, it was severely damaged during the storm in September.

Paul expressed his appreciate to the board for providing funds to repair the high tunnel. It is now fully repaired and operational. During the winter, soil was mounted around the trunks of the vines so they would survive the winter. The destruction of the high tunnel delayed publications focuses on growing vines under a high tunnel; however, the American Fruit Grower Magazine will include an article regarding growing table grapes in a high tunnel.

Crop Reduction Study

The grape cultivar, Itasca, was grown at Mileta Vista Winery near St. Paul, NE. These vines were 3 years old but were hit with herbicide drift at the time of flowering, which resulted in no fruit.

Juice Quality Study

The Food Innovation Center is studying the juice and wine quality of grapes. Grape growers submitted samples for evaluation. The goal of this study is to enhance the quality of fruit.

Explore Grape Cultivars

UNL is exploring grape cultivars to identify quality characteristic of vines before they are named. Cornell University is evaluating new cultivars such as Clarion. Clarion was a numbered cultivar in the Northern Grapes Project. Presentations have been delivered at national conferences.

Cover Crop Research and Trellis Systems

Cover crop research and trellis system work is continuing and is useful to growers.

Nebraska Winery and Grape Growers Association

Kathi Schildt, ED and Mick McDowell, President

Alyssa Brodersen Tim Nissen provided an update of Nebraska Grape and Winery Growers Association activities.

Marketing Grant Update

2022 Passport Data

Total Returned 2022 Passports as of 1/4/2023: 676

Completed All Stops: 54

Completed 15-31 Stops: 231

Completed 10-14: 386

Under 10 Stamps: 5

NWGGA is also excited announce the implementation of a digital passport program for 2023. The association onboarded with Bandwango in Nov. 2022 and did a soft launch promotion partnered with the Nebraska Beef Council and served as a great opportunity for the wineries to become familiar with platform before the 2023 launch.

Nebraska Reds Promotion

20 winery and tasting room locations participated in the promotion

Pass Signups: 194

Check-Ins: 194

Wine Bucks Redemption: 2

Cutting Board Redemption: 6

Top Prize Sweepstakes: 20

2023 Passport

34 winery and tasting room locations have signed up to participate in the 2023 passport program.

The marketing grant funds that NWGGA received have had a significant impact on the amount of marketing and promotion that the NWGGA has been able to roll out in the 2022-2023 fiscal year.

TOAST Grant Update

NWGGA held their 2nd annual TOAST Nebraska Holiday Wine Festival on Nov. 12th in Grand Island, NE.

17 winery locations participated

1,318 tickets sold

7 food vendors

19 craft/artisan vendors

NWGGA plans to hold their Spring TOAST event in Omaha on May 12-13, 2023.

15 wineries are currently sign up to participate

Registration for vendor and ticket sales will begin in mid-January

The TOAST grants have allowed the association to elevate the TOAST events to a significantly higher level than was possible in the past. With continued support from the grants the NWGGA feels confident that it can continue to produce high quality events for Nebraska's wine consumer, which in turn benefits the Nebraska wine industry as a whole. NWGGA is always seeking sponsors to help defray the costs of the events and has been focused on nurturing current sponsor relationships and seeking new partners for future events.

Executive Director/Operations Update

NWGGA continues to advance the industry with the assistance of a management firm (Advanced Association Management). The management firm continues to be instrumental in managing the everyday association tasks, membership drives, event planning, and marketing objectives of the association.

With the assistance of a management firm the association has had two successful Spring TOAST events in Omaha where both festivals won the Best of Omaha Festival Award. The association has also had 2 successful Holiday TOAST events in Grand Island. They have been able to capture Nebraska wine consumers information and efficiently and effectively communicate the Nebraska wines message, promotions, and events to their 16,000 subscribers.

Education Grant Update

NWGGA hosted their annual meeting and conference after Holiday TOAST on Nov. 13-14, 2022. The first day focused on viticulture and the second day focused on enology and

winery marketing. A total of 32 members and 2 non-members and 9 vendors attended the conference.

With the assistance of grant funds, NWGGA was able to provide high quality speakers on a number of important topics for the Nebraska grape and wine industry.

Day 1 Topics:

- Detecting and Managing Herbicide Drift in Vineyards – Maria Smith, Ohio St University
- Canopy Management from Dormancy through Veraison to Achieve Vine Balance and Uniform Fruit Ripening – Fritz Westover, Westover Vineyard Advertising
- Methoxy pyrazine Management in the Vineyard – Justin Scheiner, Texas A&M University
- Advancements in Reducing Vineyard Risks from Cold Injury – Maria Smith, Ohio St. University
- Grapevine Trunk Diseases of Cold-Hardy Varieties Grown in Northern Midwest Vineyards – Davy DeKrey, Ph.D. Student, University of Minnesota

Day 2 Topics:

- Update on Wine Quality Advancement Phase 1 & 2 Findings – Denise Gardner, Denise Gardner Winemaking
- Advanced Enology, Principles and Progress – Aude Watrelot, Iowa State University
- Practical High Acidity Winemaking Strategies for the Midwest – Drew Horton, University of Minnesota
- Brand Storytelling & Increasing Market Share – Liz Mercer, WISE Academy

The annual meeting gives vineyard and winery owners in Nebraska an opportunity to network and learn about important issues that the industry faces. NWGGA believes that events like this help to strengthen the wine industry in Nebraska.

Nebraska Tourism Commission	Karen Kollars
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Karen Kollars provided an update on Nebraska Tourism activities.

The Nebraska Tourism Commission was awarded \$3 million in ARPA funding. The Nebraska Department of Economic Development will consider proposals for project types. The deadline is set for Feb. 2, 2023. The Grow Nebraska Agri-Tourism Conference will be March 1 & 2, 2023. It will be held at Mac's Creek Vineyards and Winery in Lexington and the Younes Conference Center in Kearney.

NTC will host a boot at the National Western Stock Show, which will be held Jan. 7-22, 2023.

NTC's new travel guides are now available and group tours are taking place around the nation.

Nebraska Department of Agriculture

Casey Foster

Casey gave a brief report on the NDA activities. The Nebraska Department of Agriculture (NDA) announced a competitive solicitation process for the 2023 Specialty Crop Block Grant Program, which awards funding to projects that enhance the competitiveness of specialty crops. Specialty crops are defined as fruits and vegetables, dried fruit, tree nuts, horticulture, and nursery crops, including floriculture. Potential applicants can visit the USDA's SCBGP website to view a comprehensive list of eligible specialty crops, ineligible commodities, and examples of projects that enhance the competitiveness of specialty crops.

NDA anticipates awarding approximately \$820,000 to projects enhancing the competitiveness of Nebraska specialty crops. A maximum grant award does not exist and neither NDA nor the SCBGP requires a cost sharing or matching requirement. All projects are subject to the availability of funds. Grant funds cannot be expended before September 30, 2023, or after September 29, 2026. NDA reserves the right to offer an award amount less than the amount requested.

A new online platform, called AmpliFund, is launched for the Nebraska Specialty Crop Block Grant Program. Applicants interested in applying must do so by going to NDA's website. A recording of the FY 2023 Concept Proposal webinar recording is also available on the website.

The Nebraska Specialty Crop Conference has partnered with the Nebraska Sustainable Ag Society, and the Nebraska Regional Food Systems Initiative to host the 2023 Local Food and Health Farms Conference. The conference will be held at The Leadership Center near Aurora, Nebraska.

Old Business

2021-2022 Fiscal Report

Discussion

Kevin and Ashley handed out the 2021-22 year-end fiscal report and reviewed the report with the board. A motion was made to approve the report as presented.

Max

Dave

- Max
- Dave
- Connie
- Mike
- Jim

New Business

December 2022 Fiscal Report

Discussion
Kevin and Ashley handed out the December 2022 fiscal report and reviewed the report with the board. A motion was made to approve the report as presented.

Motion to Approve Connie	Second Max
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Roll Call Vote	For <input checked="" type="checkbox"/> Max <input checked="" type="checkbox"/> Dave <input checked="" type="checkbox"/> Connie <input checked="" type="checkbox"/> Mike <input checked="" type="checkbox"/> Jim	Against <input type="checkbox"/> Max <input type="checkbox"/> Dave <input type="checkbox"/> Connie <input type="checkbox"/> Mike <input type="checkbox"/> Jim
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2022-23 Budget Projection

Discussion
Kevin and Ashley discussed the projected year-end numbers for the 2022-23 fiscal year, which ends June 30, 2023. A motion was not needed since this was a projection.

Request for Proposals

Discussion
A motion was made to solicit proposals for possible funding consideration for the next fiscal year. NDA will update last year's RFP and will send it out to the industry.

Motion to Approve Dave	Second Connie
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Roll Call Vote	For <input checked="" type="checkbox"/> Max <input checked="" type="checkbox"/> Dave <input checked="" type="checkbox"/> Connie <input checked="" type="checkbox"/> Mike <input checked="" type="checkbox"/> Jim	Against <input type="checkbox"/> Max <input type="checkbox"/> Dave <input type="checkbox"/> Connie <input type="checkbox"/> Mike <input type="checkbox"/> Jim
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Next Meeting

Discussion
The next board meeting will be held on June 7, 2023, at the Nebraska Department of Agriculture (245 Fallbrook Blvd, Lincoln, NE 68521 beginning at 5 p.m.

Adjourn

A motion was made to adjourn.

Motion to Adjourn

Second

Dave

Max

Roll Call Vote

For

- Max
- Dave
- Mike
- Connie
- Jim

Against

- Max
- Dave
- Mike
- Connie
- Jim

Nebraska Grape and Winery Board Meeting Minutes		
June 7, 2023	5:00 p.m.	Nebraska Dept. of Agriculture
Meeting called by	Nebraska Grape and Winery Board	
Type of meeting	Board Meeting	
Chairman	Jim Ballard	
Note taker	Holle Evert	
Attendees	Dave Hanna, Mike Schilling, Jim Ballard, Max McFarland, Karen Kollars, Casey Foster, Ashley Dempsey, Kevin Shearman, Mike Gibson, Alyssa Brodersen, Kylie Schildt, Kathi Schildt, Anthony Flores, Tim Murman, Greg Nollette, Reed Ford, Abbey Thies, Nick Ryan, Tim Nissen, Mick McDowell, Ted Schekirke, Steve Gamet, Richard Hilske, Ron Haskett, Holle Evert	
Call to Order		
Open Meetings Act	Posted to http://grapeandwineryboard.nebraska.gov on January 12, 2023.	
Approval of Agenda		
Discussion		
The meeting was called to order at 5:05p.m. A motion was made to approve the meeting agenda.		
Motion to Approve	Second	
Max	Dave	
Roll Call Vote	For <input checked="" type="checkbox"/> Max <input checked="" type="checkbox"/> Dave <input type="checkbox"/> Connie <input checked="" type="checkbox"/> Mike <input checked="" type="checkbox"/> Jim	Against <input type="checkbox"/> Max <input type="checkbox"/> Dave <input type="checkbox"/> Connie <input type="checkbox"/> Mike <input type="checkbox"/> Jim
Approval of January 4, 2023 Meeting Minutes		
Discussion		
A copy of the January 4, 2023 meeting minutes was handed out to all board members to review. A motion was made to accept the minutes as presented.		
Motion to Approve	Second	
Max	Mike	
Roll Call Vote	For	Against

	<input checked="" type="checkbox"/> Max <input checked="" type="checkbox"/> Dave <input type="checkbox"/> Connie <input checked="" type="checkbox"/> Mike <input checked="" type="checkbox"/> Jim	<input type="checkbox"/> Max <input type="checkbox"/> Dave <input type="checkbox"/> Connie <input type="checkbox"/> Mike <input type="checkbox"/> Jim
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Public Comments/Activity Updates	
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Nebraska Winery and Grape Growers Association	Tim Nissen - President, Richard Hilske, Mick McDowell, Kylie Schildt, Alyssa Broderson
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Tim Nissen, President presented the following concerns to the Board:

- Message that was given at the Nebraska Local Food & Healthy Farms 2023 Conference that represented all grape growers and wineries in Nebraska were in support of sustainability practices.
- Would like board books and records opened up to industry members
- Board needs to get back to the strategic plan

Mick McDowell presented concerns over two proposal requests for funding to be discussed at the meeting

Richard Hilske requested more focus on promotion to increase gallonage and awareness of Nebraska wines.

Kylie Schildt gave a marketing update and handed out supporting documents. She discussed utilizing the momentum from social media marketing that is driving the increase in acquiring demographic information. She mentioned the success from partnering with the Beef Council to promote the digital passport. Good feedback from the recent TOAST event is coming in.

Alyssa Broderson relayed that funds from the education grant were used for the annual meeting. That event was recorded and can be viewed on the NWGGA for members who were not able to attend the meeting.

University of Nebraska - Lincoln	Stephen Gamet
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Stephen Gamet reported that the University just wrapped up a crop load reduction study in which no variability was determined to be notable.

The Food Innovation Center is conducting a juice quality study. Participation is free. Growers are encouraged to send in their samples.

The High Tunnel project received some structural damage from a weather-related incident. The University is working on a small study on storability of grapes.

University still offers a Vines, Wines and You class. Attendance is rebuilding following a slow down during covid.

Nebraska Tourism Commission	Karen Kollars
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Karen Kollars shared that tourism’s summer campaign kicked off in May. Users and engagement are showing a positive increase.

Lodging tax collection is showing record breaking numbers.

Karen encouraged members to verify their listings on visitnebraska.com website and reminded that events can be posted to the website.

Passport program is off to a good start. Over 47,000 passports were given out in addition to over 12,000 digital passports.

The ABA travel organization was presented as a being a good option to help with promotion of Nebraska wineries.

Nebraska Department of Agriculture

Casey Foster

Casey Foster introduced Holle Evert, new staff member on the Ag Promotion & Development team.

The Specialty Crop Block Grant program has granted \$820,000 to Nebraska. 15 applications have been submitted. Approval process starts on Sept. 30, 2023.

Casey reported that there are currently 69 projects open.

Coupons for the Farmer’s Market Nutrition Program for Senior Citizens are being distributed to local Area Agencies on Aging.

Old Business

2022-2023 Fiscal Report

Discussion

The 2022-23 fiscal report current through May 31, 2023 was reviewed. Ashley reported that the new structures put into place are working. She reviewed outstanding obligations.

New Business

Proposals requesting Board Funds / 2023-24 Budget

Discussion

A total of 11 proposals were submitted to the board for funding considerations for the 2023-24 fiscal year. Ashley Dempsey reviewed the financials with the board. If all proposals were funded the budget balance would be -\$181,551.000. Upon board review of the proposals, five proposals were not accepted, and the remaining proposals were accepted with some funding adjustments made to accommodate the funding available. After adjustments were made there was a positive balance \$30,709.00.

Nebraska Grape and Winery Board

2023-24 Fiscal Year

Proposals

Grant Proposal Title	Applicant	Project Description	Amount Requested	Approved for Funding
NWGGA Operations/Professional Fees & Executive Director Salaries	NWGGA	Fund the operations of the NWGGA including Executive Director salary, board member mileage, surety bond, event/liability insurance, legal counsel, accounting/bookkeeping services, and CPA services.	\$108,400.00	Yes, \$108,400

NWGGA Education Programs	NWGGA	Provide ongoing education for all of Nebraska's grape growers and winemakers on topics regarding farm wineries and the annual conference. These topics are recruiting new growers, helping wineries with regulatory issues and general enology and viticulture education.	\$20,000.00	Yes, updated to \$2,500
203-2024 Nebraska Wines Marketing Plan	NWGGA	Promotion and education of new digital 2023 passport program, creation and execution of the 2024 Nebraska Wine Passport, and continued social media content to promote the passport program and industry-wide promotions and events.	\$120,000.00	Yes, updated to \$90,000
2023 Holiday TOAST & 2024 TOAST Nebraska	NWGGA	Promote the awareness and consumption of Nebraska wines at 2 wine festivals.	\$135,000.00	Yes, updated to \$88,000
Wine Quality Advancement Project (Phase III-V)	NWGGA	Improve the quality of wine in Nebraska and allow wineries input regarding their wine. Phase III: Analytical Testing Phase IV: Virtual Winery Visitations Phase V: Sensory Analysis	\$25,710.00	No
Cold Climate Coalition	Nebraska Grape and Winery Board (Jim Ballard)	Create informal Cold Climate Coalition Board, website, and promote of Cold Climate growing regions in the U.S. (NE, VT, CO, MN, WI, IA, etc.)	\$41,000.00	No
Flores Farms	Anthony Flores	Establish a forward-thinking vineyard in Gage County Nebraska to strengthen the Nebraska Wine & Grape Industry.	\$17,500.00	No
Nebraska Sustainable	Nebraska Sustainable Committee	Roll out a piloted program within the specialty crop industry and promote practices that are sensitive to the environment, responsive to societal needs and interests, and economically feasible to implement.	\$20,000.00	No

Nebraska Agricultural Youth Insitute	Nebraska Department of Agriculture	Weeklong experience for high school juniors and seniors from across Nebraska to learn more about career opportunities within agriculture. This conference features speakers, workshops, agricultural education, networking with peers and industry leaders, professional development, leadership experience, fun and new friends!	\$5,000.00	Yes, \$5,000
Proposal Subtotal			\$492,610.00	\$293,900

Motion to Approve	Second
Dave	Mike

Roll Call Vote	For	Against
	<input checked="" type="checkbox"/> Max	<input type="checkbox"/> Max
	<input checked="" type="checkbox"/> Dave	<input type="checkbox"/> Dave
	<input type="checkbox"/> Connie	<input type="checkbox"/> Connie
	<input checked="" type="checkbox"/> Mike	<input type="checkbox"/> Mike
	<input checked="" type="checkbox"/> Jim	<input type="checkbox"/> Jim

Discussion

Other Business

Discussion
A letter of resignation was received from Connie Brittan.
Dave Hanna and Connie Brittan were recognized with plaques for their years of service on the NWGB.

Next Meeting

Discussion
The next board meeting will be held on November 1, 2023, at Chances “R” Restaurant & Lounge, York, NE beginning at 5 p.m.

Adjourn

A motion was made to adjourn.

Motion to Adjourn	Second
Max	Mike

Roll Call Vote	For <input checked="" type="checkbox"/> Max <input checked="" type="checkbox"/> Dave <input type="checkbox"/> Connie <input checked="" type="checkbox"/> Mike <input checked="" type="checkbox"/> Jim	Against <input type="checkbox"/> Max <input type="checkbox"/> Dave <input type="checkbox"/> Connie <input type="checkbox"/> Mike <input type="checkbox"/> Jim
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2022 – 2023
FISCAL REPORT

WINE & GRAPE PRODUCTION PROMOTION BOARD
JULY 1, 2022 – JUNE 30, 2023

DESCRIPTION	FY 22-23 BUDGET	JUNE 2023	YTD TOTAL
BEGINNING CASH BALANCE	\$ 217,935	\$ 340,126.04	\$ 217,934.88
REVENUE:			
Shipper License Fees	\$ 400,000	\$ 5,500.00	\$ 434,425.71
Check-Off Fees	\$ 5,000	\$ 0.00	\$ 5,344.50
Crushed Grape Fees	\$ 14,000	\$ 0.00	\$ 0.00
SCBGP	\$ 30,000	\$ 22,500.00	\$ 50,409.96
Misc. Revenue Adjustment	\$ 0	\$ 0.00	\$ 5,104.79
Investment Interest	\$ 4,000	\$ 708.96	\$ 3,585.10
Total Revenue	\$ 453,000	\$ 28,708.96	\$ 498,870.06
TOTAL AVAILABLE CASH	\$ 670,935	\$ 368,835.00	\$ 716,804.94
EXPENDITURES:			
Administrative:			
NDA Printing (Annual Report)	\$ 400	\$ 0.00	\$ 356.66
NDA Administration	\$ 13,000	\$ 97.20	\$ 6,436.71
Board Expense – Board Meetings	\$ 1,000	\$ 537.10	\$ 1,168.23
Board Meeting Notices	\$ 50	\$ 0.00	\$ 94.59
Board Expense – Industry Promotion	\$ 1,000	\$ 0.00	\$ 0.00
NWGGA-Executive Management Services (18-13-281)	\$ 103,000	\$ 0.00	\$ 79,637.02
Subtotal	\$ 118,450	\$ 634.30	\$ 87,693.21
Promotion/Education:			
NWGGA Marketing Program (18-13-282)	\$ 110,000	\$ 0.00	\$ 74,765.45
NWGGA Passport Program		\$ 0.00	\$ 8,888.56
NWGGA Marketing Campaign Guide		\$ 0.00	\$ 65,376.89
NWGGA Video/Photography Library		\$ 0.00	\$ 500.00
NWGGA Nebraska Wine Summit	\$ 0	\$ 0.00	\$ 0.00
NWGGA Toast Nebraska (18-13-333)	\$ 135,000	\$ 0.00	\$ 93,226.06
NWGGA Education Programs (18-13-357)	\$ 10,000	\$ 0.00	\$ 10,000.00
NAYI Sponsorship	\$ 5,000	\$ 0.00	\$ 5,000.00
Subtotal	\$ 260,000	\$ 0.00	\$ 182,991.51
Research:			
SCBGP – Sustainability	\$ 30,000	\$ 22,500.00	\$ 50,409.96
UNL – Viticulture Program/Lab Technician	\$ 91,651	\$ 0.00	\$ 0.00
Subtotal	\$ 121,651	\$ 22,500.00	\$ 50,409.96
Prior Year Obligations:			
NDA Administration	\$ 173	\$ 0.00	\$ 113.84
Board Expense – Board Meetings	\$ 2,314	\$ 0.00	\$ 186.03
Board Meeting Notices	\$ 207	\$ 0.00	\$ 31.63
Board Services Contractor	\$ 1,500	\$ 0.00	\$ 1,250.00
NWGGA Executive Management Services (18-13-281)	\$ 11,606	\$ 0.00	\$ 10,675.67
NWGGA Education Programs (18-13-357)	\$ 7,242	\$ 0.00	\$ 1,113.37
NWGGA Marketing Program	\$ 31,392	\$ 0.00	\$ 24,841.28
NWGGA Sweetness Rating Testing / ISU Proposal	\$ 4,173	\$ 0.00	\$ 833.87
NWGGA Toast Nebraska (18-13-333)	\$ 35,106	\$ 0.00	\$ 35,106.32
UNL Viticulture Program/Lab Technician	\$ 48,538	\$ 0.00	\$ 48,537.62
Subtotal	\$ 142,251	\$ 0.00	\$ 122,689.63
Total Expenditures	\$ 642,352	\$ 23,134.30	\$ 443,784.31
Adjustment to Fund Balance	\$ 0	\$ (72,680.07)	\$ 0.00
ENDNG CASH BALANCE	\$ 28,583	\$ 273,020.63	\$ 273,020.63

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

Percent of Fiscal Year Elapsed;	100%
FY 21-22 Revenue to Date:	\$425,383.69
FY 21-22 Expenditures to Date:	\$648,969.51

CONTRACTS

AGREEMENT
BETWEEN THE
NEBRASKA DEPARTMENT OF AGRICULTURE
AND THE
NEBRASKA WINERY AND GRAPE GROWERS ASSOCIATION
#18-13-281

This Agreement is entered into by and between the Nebraska Department of Agriculture, (hereafter “Department”) and the Nebraska Winery and Grape Growers Association, (hereafter “NWGGA”).

PURPOSE: The purpose of this Agreement is to provide funding, as authorized by the Nebraska Grape and Winery Board, to NWGGA for an Executive Director position to conduct marketing activities to assist in the betterment of Nebraska’s grape and wine industry.

AUTHORITY: This Agreement is being entered into pursuant to the Nebraska Grape and Winery Board, (hereafter “Board”) statutes, Neb. Rev. Stat. §§53-301 to 53-305 which provide for the Winery and Grape Producers Promotional Fund to be used by the Department at the direction of, and in cooperation with, the Board to develop programs that promote the wine industry in Nebraska.

The Board has conducted a public board meeting and directed the Department to provide funds to NWGGA.

THEREFORE, in consideration of the covenants herein contained, it is agreed by and between the parties hereto as follows:

A. DESCRIPTION OF WORK

1. NWGGA agrees to the following:
 - a. Fund an Executive Director position, which is designed to increase the competitiveness and sustainability of Nebraska’s grape and wine industry. The funds will specifically be used to pay for the Executive Director’s salary, benefits, support staff, travel expenses, surety bond, legal counsel, banking costs, office supplies, software, postage, business insurance, CPA services, bookkeeping services, meeting expenses, and NWGGA board member mileage for travel to board meetings and events.

- b. Provide a written final report to the Department by July 15, 2023, describing the results of the project and the use of funds to be made public by the Board.
- c. Provide services from July 1, 2022, through June 30, 2023.

B. ALLOWABLE COSTS and PAYMENTS

- 1. The Department shall provide a sum of up to one hundred three thousand dollars (\$103,000) from the Winery and Grape Producers Promotional Fund to NWGGA upon both parties signing this Agreement and NWGGA incurring an obligation.
- 2. Final NWGGA billing shall be received no later than July 15, 2023.
- 3. The source of funding for this Agreement is the Winery and Grape Producers Promotional Fund. Payment is contingent upon funding availability.
- 4. NWGGA specifically agrees that funds provided under this Agreement shall be used only for the project and purpose enumerated herein.
- 5. 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.

C. AGREEMENT PERIOD

The term of this Agreement is from **July 1, 2022, to July 15, 2023**, unless sooner terminated or completed as provided for in Section D.

D. AGREEMENT PROVISIONS

- 1. Termination:
 - a. The Department may immediately terminate this Agreement, in whole or in part, if NWGGA fails to perform its obligations under this Agreement in a timely and proper manner. The Department may, at its discretion, allow NWGGA to cure a failure or breach within the Department's specified period of time. Allowing NWGGA time to cure a failure or breach does not waive the Department's right to immediately terminate this Agreement for the same or different Agreement breach which may occur at a different time. In case of default of the NWGGA, the Department may contract from other sources

and hold the NWGGA responsible for any excess cost occasioned thereby.

- b. This Agreement may be terminated, at any time, upon mutual written consent of the parties, or by either party, with or without cause, upon thirty (30) days written notice to the other party. In the event of termination, the Department shall be under no further obligation to the NWGGA, except that the Department agrees to pay the NWGGA for the cost of services satisfactorily provided up to the date of termination, subtracting any additional costs caused by the NWGGA's termination.
2. Project Completion: The project will be deemed to be complete when to the Department's satisfaction the NWGGA completely and fully performs as outlined in Section A, or when funding is no longer available, whichever occurs first.
3. Complete Understanding: 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.
4. Relationship of Parties: The relationship of the Department and the NWGGA under this Agreement shall be that of principal and independent contractor. It is understood by both the Department and the NWGGA that the NWGGA is not an employee of the Department and that the Department assumes no responsibility beyond those specifically stated in this Agreement.
5. Assignable: This Agreement is not assignable without the express written approval of the Department.
6. Governing Law: This Agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the Department regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.
7. Indemnification:
 - a. General. The NWGGA, to the extent allowable by Nebraska State Law, agrees to defend, indemnify, hold, and save harmless the Department and its employees, volunteers, agents, and its appointed officials (hereafter "the indemnified parties") from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and

attorney fees and expenses (hereafter "claim"), sustained or asserted against the Department, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the NWGGA, its employees, subcontractors, consultants, representatives, and agents, except to the extent such liability is attenuated by any action of the Department which directly and proximately contributed to any claim. The obligation to indemnify shall survive the expiration or termination of this Agreement.

- b. Personnel. The NWGGA shall, to the extent allowable by Nebraska State Law, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel provided by the NWGGA.
- 8. Authority to Enter Agreement: The NWGGA warrants the individual signing this Agreement has the legal power, right, and authority to enter into this Agreement and to bind NWGGA accordingly.
 - 9. Attorney's Fees: In the event of any litigation, appeal, or other legal action to enforce any provision of this Agreement, the NWGGA agrees to pay all expenses of such action, as permitted by law, including attorney's fees and costs, if the Department is the prevailing party.
 - 10. Severability: If any term or condition of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.
 - 11. Penalty for Breach: In the event that the NWGGA fails to perform any substantial obligation under this Agreement, the Department may withhold all monies due and payable to the NWGGA, without penalty, until such failure is cured or otherwise adjudicated.

E. RECORDS AND WORK PRODUCT PROVISIONS

- 1. Records Available: The books of account, files, and other records of the NWGGA which are applicable to this Agreement shall be made available in the State of Nebraska for inspection, review, copying, 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

benefits of the NWGGA. All records involving transactions related to this Agreement are to be maintained for a period of five (5) years from the date the term of this Agreement begins. If any litigation or audit is begun, or a claim is instituted involving the Agreement, the NWGGA shall retain the records beyond the five (5) year period until litigation, audit findings, or claim has been fully resolved and the Department has agreed that such records do not need to be retained.

2. Auditing Standard: The Department, under the Office of Management and Budget's Uniform Guidance, will utilize a risk-based approach to review federal and state contract dollars expended to subrecipients. This may include the NWGGA providing recent audit reports to evaluate prior audit experiences and audit findings; Department review of subrecipient control environment; the Department requiring additional oversight reports; and the NWGGA providing copies of invoices detailing how the Department funds were expended.

F. COMPLIANCE PROVISIONS

1. Nondiscrimination:
 - a. The NWGGA, and any and all subcontractors, shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act, Neb. Rev. Stat. §§48-1101 to 48-1125, prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensations, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin. The NWGGA guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of this Agreement. The NWGGA shall insert a similar provision in all subcontracts for services to be covered by any contract resulting from this Agreement.
 - b. It is further understood and agreed, that if the NWGGA is in violation of this clause, it shall be immediately barred from receiving further funds, unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such act or action is unlikely.
2. ADA Compliance: All provisions under this Agreement are subject to the Americans with Disabilities Act.

3. **Worker's Compensation:** The NWGGA, and any and all subcontractors guarantee payment of compensation to injured workers according to the Nebraska Worker's Compensation Act which is valid for the life of the Agreement including any extensions of the Agreement.
4. **Drug Free:** The NWGGA, and any and all subcontractors shall have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain: A statement notifying employees the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited; the specific actions that will be taken for violating the policy; and a requirement that each employee receive a copy of the policy.
5. **Immigration Verification:** The NWGGA, and any and all subcontractors shall 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 electronics verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as 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 newly hired employees.
6. **Early State Agreement Termination or Certification Regarding Debarment:** The NWGGA certifies that NWGGA is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency from participating in transactions (debarred). The NWGGA further certifies that NWGGA has not had an agreement with the State of Nebraska terminated early by the State of Nebraska. If the NWGGA has had an agreement terminated early by the State of Nebraska, NWGGA shall provide the agreement number, along with an explanation of why the agreement was terminated early. The NWGGA also agrees to include the requirements of this paragraph in any and all subcontracts into which it enters. The NWGGA shall immediately notify the Department if, during the term of this Agreement, the NWGGA becomes debarred or has an agreement with the State of Nebraska terminated early. The Department may immediately terminate this Agreement by providing the NWGGA written notice if the NWGGA becomes debarred or if NWGGA has an agreement terminated early by the State of Nebraska during the term of this Agreement.

G. COMMUNICATION BETWEEN PARTIES

All notices, requests, or other communications shall be in writing and shall be deemed to have been given if delivered personally, emailed, or mailed, by U.S. Mail or other mail delivery service, to the addresses set forth herein. Either party may change its email address or mailing address for notification purposes by giving notice of the change and setting forth the new address and the effective date.

For the Department:
Casey Foster
Nebraska Department of Agriculture
PO Box 94947
Lincoln, NE 68509-4947
casey.foster@nebraska.gov

For NWGGA:
Kathi Schildt
Nebraska Winery & Grape Growers Association
521 First St
Milford, NE 68405
kathi@nebraskawines.org

IN WITNESS WHEREOF, the parties executed this Agreement.

DEPARTMENT OF AGRICULTURE

Date

Steve Wellman, Director

NEBRASKA WINERY AND GRAPE GROWERS
ASSOCIATION

Date

Kara Sousek, President

AGREEMENT
BETWEEN THE
NEBRASKA DEPARTMENT OF AGRICULTURE
AND THE
NEBRASKA WINERY AND GRAPE GROWERS ASSOCIATION
#18-13-357

This Agreement is entered into by and between the Nebraska Department of Agriculture, (hereafter “Department”) and the Nebraska Winery and Grape Growers Association, (hereafter “NWGGA”).

PURPOSE: The purpose of this Agreement is to provide funding, as authorized by the Nebraska Grape and Winery Board, to NWGGA to conduct a series of educational seminars and publish written materials for current and potential grape growers and wineries.

AUTHORITY: This Agreement is being entered into pursuant to the Nebraska Grape and Winery Board, (hereafter “Board”) statutes, Neb. Rev. Stat. §53-301 to 53-305 which provides the Winery and Grape Producers Promotional Fund to be used by the Department at the direction of, and in cooperation with, the Board to develop programs that promote the wine industry in Nebraska.

The Board has conducted a public board meeting and directed the Department to provide funds to NWGGA.

THEREFORE, in consideration of the covenants herein contained, it is agreed by and between the parties hereto as follows:

B. DESCRIPTION OF WORK

1. NWGGA agrees to utilize funds to pay for costs associated with these activities such as literature, room rental, attendee lunches, and speaker honorariums and travel expenses. Funds will also be used to pay for travel and rental expenses of any mechanized equipment used in field demonstrations. NWGGA further agrees to utilize funds for the following activities:
 - a. Promotional literature for potential new and existing grape growers.
 - b. Seminar for wineries on TTB/NLCC rules and regulations.

- c. Series of educational seminars for Nebraska wine makers and grape growers.
 - d. Wine America Membership.
 - e. Enology and Viticulture.
 - f. Host an annual meeting in 2022 to conduct the annual NWGGA membership meeting that includes several workshops with speakers discussing topics such as enology, viticulture, and marketing strategies.
2. Provide a written report to the Department by July 15, 2023 describing the results of the project and the use of funds to be made public by the Board.
 3. NWGGA agrees to provide services from July 1, 2022, through June 30, 2023.

B. ALLOWABLE COSTS and PAYMENTS

1. The Department shall provide a sum of up to ten thousand dollars (\$10,000) from the Winery and Grape Producers Promotional Fund to NWGGA upon both parties signing this Agreement and NWGGA incurring an obligation.
2. Final NWGGA billing shall be received no later than July 15, 2023.
3. The source of funding for this Agreement is the Winery and Grape Producers Promotional Fund. Payment is contingent upon funding availability.
4. NWGGA specifically agrees that funds provided under this Agreement shall be used only for the project and purpose enumerated herein.
5. 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.

C. AGREEMENT PERIOD

The term of this Agreement is from **July 1, 2022, to July 15, 2023**, unless sooner terminated or completed as provided for in Section D.

D. AGREEMENT PROVISIONS

1. Termination: This Agreement may be terminated, at any time, upon mutual written consent of the parties, or by either party, with or without cause, upon thirty (30) days written notice to the other party. In the event of termination, the Department shall be under no further obligation to NWGGA, except that the Department shall pay NWGGA for the cost of services provided up to the date of termination, subtracting any additional costs caused by NWGGA's termination.
2. Project Completion: The project will be deemed to be complete when to the Department's satisfaction the NWGGA completely and fully performs as outlined in Section A, or when funding is no longer available, whichever occurs first.
3. Complete Understanding: 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.
4. Relationship of Parties: The relationship of the Department and the NWGGA under this Agreement shall be that of principal and independent contractor. It is understood by both the Department and the NWGGA that the NWGGA is not an employee of the Department and that the Department assumes no responsibility beyond those specifically stated in this Agreement.
5. Assignable: This Agreement is not assignable without the express written approval of the Department.
6. Governing Law: This Agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the Department regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.
7. Indemnification:
 - a. General. The NWGGA, to the extent allowable by Nebraska State Law, agrees to defend, indemnify, hold, and save harmless the Department and its employees, volunteers, agents, and its appointed officials (hereafter "the indemnified parties") from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses (hereafter "claim"), sustained or asserted against the Department, arising out of, resulting from,

or attributable to the willful misconduct, negligence, error, or omission of the NWGGA, its employees, subcontractors, consultants, representatives, and agents, except to the extent such liability is attenuated by any action of the Department which directly and proximately contributed to any claim. The obligation to indemnify shall survive the expiration or termination of this Agreement.

- b. Personnel. The NWGGA shall, to the extent allowable by Nebraska State Law, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel provided by the NWGGA.
- 8. Authority to Enter Agreement: The NWGGA warrants the individual signing this Agreement has the legal power, right, and authority to enter into this Agreement and to bind NWGGA accordingly.
 - 9. Attorney's Fees: In the event of any litigation, appeal, or other legal action to enforce any provision of this Agreement, the NWGGA agrees to pay all expenses of such action, as permitted by law, including attorney's fees and costs, if the Department is the prevailing party.
 - 10. Severability: If any term or condition of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.
 - 11. Penalty for Breach: In the event that the NWGGA fails to perform any substantial obligation under this Agreement, the Department may withhold all monies due and payable to the NWGGA, without penalty, until such failure is cured or otherwise adjudicated.

E. RECORDS AND WORK PRODUCT PROVISIONS

- 1. Records Available: The books of account, files, and other records of the NWGGA which are applicable to this Agreement shall be made available in the State of Nebraska for inspection, review, copying, 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 benefits of the NWGGA. All records involving transactions related to this Agreement are to be maintained for a period of five (5) years

from the date the term of this Agreement begins. If any litigation or audit is begun, or a claim is instituted involving the Agreement, the NWGGA shall retain the records beyond the five (5) year period until litigation, audit findings, or claim has been fully resolved and the Department has agreed that such records do not need to be retained.

2. Auditing Standard: The Department, under the Office of Management and Budget's Uniform Guidance, will utilize a risk-based approach to review federal and state contract dollars expended to subrecipients. This may include the NWGGA providing recent audit reports to evaluate prior audit experiences and audit findings; Department review of subrecipient control environment; the Department requiring additional oversight reports; and the NWGGA providing copies of invoices detailing how the Department funds were expended.

F. COMPLIANCE PROVISIONS

1. Nondiscrimination:
 - a. The NWGGA, and any and all subcontractors, shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act, Neb. Rev. Stat. §§48-1101 to 48-1125, prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensations, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin. The NWGGA guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of this Agreement. The NWGGA shall insert a similar provision in all subcontracts for services to be covered by any contract resulting from this Agreement.
 - b. It is further understood and agreed, that if the NWGGA is in violation of this clause, it shall be immediately barred from receiving further funds, unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such act or action is unlikely.
2. ADA Compliance: All provisions under this Agreement are subject to the Americans with Disabilities Act.

3. Worker's Compensation: The NWGGA, and any and all subcontractors guarantee payment of compensation to injured workers according to the Nebraska Worker's Compensation Act which is valid for the life of the Agreement including any extensions of the Agreement.
4. Drug Free: The NWGGA, and any and all subcontractors shall have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain: A statement notifying employees the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited; the specific actions that will be taken for violating the policy; and a requirement that each employee receive a copy of the policy.
5. Immigration Verification: The NWGGA, and any and all subcontractors shall 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 electronics verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as 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 newly hired employees.
6. Early State Agreement Termination or Certification Regarding Debarment: The NWGGA certifies that NWGGA is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency from participating in transactions (debarred). The NWGGA further certifies that NWGGA has not had an agreement with the State of Nebraska terminated early by the State of Nebraska. If the NWGGA has had an agreement terminated early by the State of Nebraska, NWGGA shall provide the agreement number, along with an explanation of why the agreement was terminated early. The NWGGA also agrees to include the requirements of this paragraph in any and all subcontracts into which it enters. The NWGGA shall immediately notify the Department if, during the term of this Agreement, the NWGGA becomes debarred or has an agreement with the State of Nebraska terminated early. The Department may immediately terminate this Agreement by providing the NWGGA written notice if the NWGGA becomes debarred or if NWGGA has an agreement terminated early by the State of Nebraska during the term of this Agreement.

G. COMMUNICATION BETWEEN PARTIES

All notices, requests, or other communications shall be in writing and shall be deemed to have been given if delivered personally, emailed, or mailed, by U.S. Mail or other mail delivery service, to the addresses set forth herein. Either party may change its email address or mailing address for notification purposes by giving notice of the change and setting forth the new address and the effective date.

For the Department:
Casey Foster
Nebraska Department of Agriculture
PO Box 94947
Lincoln, NE 68509-4947
casey.foster@nebraska.gov

For NWGGA:
Kathi Schildt
Executive Director
Nebraska Winery & Grape Growers Association
521 First Street
Milford, NE 68405
kathi@nebraskawines.org

IN WITNESS WHEREOF, the parties executed this Agreement.

DEPARTMENT OF AGRICULTURE

Date

Steve Wellman, Director

NEBRASKA WINERY AND GRAPE GROWERS
ASSOCIATION

Date

Kara Sousek, President

AGREEMENT
BETWEEN THE
NEBRASKA DEPARTMENT OF AGRICULTURE
AND THE
NEBRASKA WINERY AND GRAPE GROWERS ASSOCIATION
#18-13-333

This Agreement is entered into by and between the Nebraska Department of Agriculture, (hereafter “Department”) and the Nebraska Winery and Grape Growers Association, (hereafter “NWGGA”).

PURPOSE: The purpose of this Agreement is to provide funding, as authorized by the Nebraska Grape and Winery Board, to NWGGA to pay for costs associated with the Toast Nebraska wine festivals.

AUTHORITY: This Agreement is being entered into pursuant to the Nebraska Grape and Winery Board statutes, Neb. Rev. Stat. §53-301 to 53-305 which provides the Winery and Grape Producers Promotional Fund to be used by the Department at the direction of, and in cooperation with, the Board to develop programs that promote the wine industry in Nebraska.

The Nebraska Grape and Winery Board has conducted a public board meeting and directed the Department to provide funds to NWGGA.

THEREFORE, in consideration of the covenants herein contained, it is agreed by and between the parties hereto as follows:

A. DESCRIPTION OF WORK

1. NWGGA agrees to:
 - a. Utilize funds to pay for all costs associated with the Toast Nebraska wine festivals. Expenses include, but are not limited to, advertising, marketing, facility use and rental, equipment rental, supplies, bingo bucks, entertainment, promotion of the event, and winery, staff, and volunteer investment.
 - b. Provide a written final report to the Department by July 15, 2023, describing the results of the project and the use of funds to be made public by the Nebraska Grape and Winery Board.

c. Provide services from July 1, 2022, through June 30, 2023.

B. ALLOWABLE COSTS and PAYMENTS

1. The Department shall provide a sum of up to one hundred thirty-five thousand dollars (\$135,000) from the Winery and Grape Producers Promotional Fund to NWGGA upon both parties signing this Agreement and NWGGA incurring an obligation.
2. Final NWGGA billing shall be received no later than July 15, 2023.
3. The source of funding for this Agreement is the Winery and Grape Producers Promotional Fund. Payment is contingent upon funding availability.
4. NWGGA specifically agrees that funds provided under this Agreement shall be used only for the project and purpose enumerated herein.
5. 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.

C. AGREEMENT PERIOD

The term of this Agreement is from **July 1, 2022, to July 15, 2023**, unless sooner terminated or completed as provided for in Section D.

D. AGREEMENT PROVISIONS

1. Termination: This Agreement may be terminated, at any time, upon mutual written consent of the parties, or by either party, with or without cause, upon thirty (30) days written notice to the other party. In the event of termination, the Department shall be under no further obligation to NWGGA, except that the Department shall pay NWGGA for the cost of services provided up to the date of termination, subtracting any additional costs caused by NWGGA's termination.
2. Project Completion: The project will be deemed to be complete when to the Department's satisfaction the NWGGA completely and fully performs as outlined in Section A, or when funding is no longer available, whichever occurs first.

3. Complete Understanding: 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.
4. Relationship of Parties: The relationship of the Department and the NWGGA under this Agreement shall be that of principal and independent contractor. It is understood by both the Department and the NWGGA that the NWGGA is not an employee of the Department and that the Department assumes no responsibility beyond those specifically stated in this Agreement.
5. Assignable: This Agreement is not assignable without the express written approval of the Department.
6. Governing Law: This Agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the Department regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.
7. Indemnification:
 - a. General. The NWGGA, to the extent allowable by Nebraska State Law, agrees to defend, indemnify, hold, and save harmless the Department and its employees, volunteers, agents, and its appointed officials (hereafter "the indemnified parties") from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses (hereafter "claim"), sustained or asserted against the Department, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the NWGGA, its employees, subcontractors, consultants, representatives, and agents, except to the extent such liability is attenuated by any action of the Department which directly and proximately contributed to any claim. The obligation to indemnify shall survive the expiration or termination of this Agreement;
 - b. Personnel. The NWGGA shall, to the extent allowable by Nebraska State Law, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel provided by the NWGGA.

8. Authority to Enter Agreement: The NWGGA warrants the individual signing this Agreement has the legal power, right, and authority to enter into this Agreement and to bind NWGGA accordingly.
9. Attorney's Fees: In the event of any litigation, appeal, or other legal action to enforce any provision of this Agreement, the NWGGA agrees to pay all expenses of such action, as permitted by law, including attorney's fees and costs, if the Department is the prevailing party.
10. Severability: If any term or condition of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.
11. Penalty for Breach: In the event that the NWGGA fails to perform any substantial obligation under this Agreement, the Department may withhold all monies due and payable to the NWGGA, without penalty, until such failure is cured or otherwise adjudicated.

E. RECORDS AND WORK PRODUCT PROVISIONS

1. Records Available: The books of account, files, and other records of the NWGGA which are applicable to this Agreement shall be made available in the State of Nebraska for inspection, review, copying, 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 benefits of the NWGGA. All records involving transactions related to this Agreement are to be maintained for a period of five (5) years from the date the term of this Agreement begins. If any litigation or audit is begun, or a claim is instituted involving the Agreement, the NWGGA shall retain the records beyond the five (5) year period until litigation, audit findings, or claim has been fully resolved and the Department has agreed that such records do not need to be retained.
2. Auditing Standard: The Department, under the Office of Management and Budget's Uniform Guidance, will utilize a risk-based approach to review federal and state contract dollars expended to subrecipients. This may include the NWGGA providing recent audit reports to evaluate prior audit experiences and audit findings; Department review of subrecipient control environment; the Department requiring additional oversight reports; and the NWGGA providing copies of invoices detailing how the Department funds were expended.

F. COMPLIANCE PROVISIONS

1. Nondiscrimination:
 - a. The NWGGA, and any and all subcontractors, shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act, Neb. Rev. Stat. §§48-1101 to 48-1125, prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensations, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin. The NWGGA guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of this Agreement. The NWGGA shall insert a similar provision in all subcontracts for services to be covered by any contract resulting from this Agreement.
 - b. It is further understood and agreed, that if the NWGGA is in violation of this clause, it shall be immediately barred from receiving further funds, unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such act or action is unlikely.
2. ADA Compliance: All provisions under this Agreement are subject to the Americans with Disabilities Act.
3. Worker's Compensation: The NWGGA, and any and all subcontractors guarantee payment of compensation to injured workers according to the Nebraska Worker's Compensation Act which is valid for the life of the Agreement including any extensions of the Agreement.
4. Drug Free: The NWGGA, and any and all subcontractors shall have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain: A statement notifying employees the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited; the specific actions that will be taken for violating the policy; and a requirement that each employee receive a copy of the policy.
5. Immigration Verification: The NWGGA, and any and all subcontractors shall 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 electronics verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as 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 newly hired employees.

6. Early State Agreement Termination or Certification Regarding Debarment: The NWGGA certifies that NWGGA is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency from participating in transactions (debarred). The NWGGA further certifies that NWGGA has not had an agreement with the State of Nebraska terminated early by the State of Nebraska. If the NWGGA has had an agreement terminated early by the State of Nebraska, NWGGA shall provide the agreement number, along with an explanation of why the agreement was terminated early. The NWGGA also agrees to include the requirements of this paragraph in any and all subcontracts into which it enters. The NWGGA shall immediately notify the Department if, during the term of this Agreement, the NWGGA becomes debarred or has an agreement with the State of Nebraska terminated early. The Department may immediately terminate this Agreement by providing the NWGGA written notice if the NWGGA becomes debarred or if NWGGA has an agreement terminated early by the State of Nebraska during the term of this Agreement.

G. COMMUNICATION BETWEEN PARTIES:

All notices, requests, or other communications shall be in writing and shall be deemed to have been given if delivered personally, emailed, or mailed, by U.S. Mail or other mail delivery service, to the addresses set forth herein. Either party may change its email address or mailing address for notification purposes by giving notice of the change and setting forth the new address and the effective date.

For the Department:
Casey Foster
Nebraska Department of Agriculture
PO Box 94947
Lincoln, NE 68509-4947
casey.foster@nebraska.gov

For NWGGA:
Kathi Schildt
Executive Director
Nebraska Winery & Grape Growers Association
521 First Street
Milford, NE 68405
kathi@nebraskawines.org

IN WITNESS WHEREOF, the parties executed this Agreement.

DEPARTMENT OF AGRICULTURE

Date

Steve Wellman, Director

NEBRASKA WINERY AND GRAPE GROWERS
ASSOCIATION

Date

Kara Sousek, President

AGREEMENT
BETWEEN THE
NEBRASKA DEPARTMENT OF AGRICULTURE
AND THE
BOARD OF REGENTS OF THE UNIVERSITY OF NEBRASKA ON BEHALF OF
THE UNIVERSITY OF NEBRASKA – LINCOLN

#18-13-325

This Agreement is entered into by and between the Nebraska Department of Agriculture, (hereafter “Department”) and the Board of Regents of the University of Nebraska on behalf of the University of Nebraska – Lincoln, (hereafter “Viticulture Program”).

PURPOSE: The purpose of this Agreement is to provide funding, as authorized by the Nebraska Grape and Winery Board, to the Viticulture Program to conduct research activities that are designed to assist in the betterment of Nebraska’s grape and wine industry.

AUTHORITY: This Agreement is being entered into pursuant to the Nebraska Grape and Winery Board, (hereafter “Board”) statutes, Neb. Rev. Stat. §§53-301 to 53-305 which provide the Winery and Grape Producers Promotional Fund to be used by the Department at the direction of, and in cooperation with, the Board to develop programs that promote the wine industry in Nebraska.

The Board has conducted a public board meeting and directed the Department to provide funds to the Viticulture Program.

THEREFORE, in consideration of the covenants herein contained, it is agreed by and between the parties hereto as follows:

A. DESCRIPTION OF WORK

1. The Viticulture Program agrees to the following:
 - a. Utilize funds to pay for the viticulture technician’s and lab technician’s salaries and benefits, student hourly labor, fertilizers, chemicals, planting stock, fuel, vehicle and equipment rental, travel costs, computer support, publications, framing, hardware, and tools. These expenses

are involved in the oversight and implementation of Viticulture Program activities.

- b. The activities will consist of:
 - i. Determining if crop size reduction makes better wine;
 - ii. Cultivar and new genotype evaluation;
 - iii. Table grape production in high tunnels and controlling climate variability;
 - iv. Multi-state project evaluating performance on a common set of grape cultivars in multiple locations;
 - v. Collaboration with UNL Food Science and Technology Department;
 - vi. Evaluation of cold-hardiness, spring bud-break, and cold temperature damage prevention and management;
 - vii. Cultivar and growing degree days;
 - viii. Hail damage prevention;
 - ix. Grapevine trunk disease; and
 - x. Repair of vinifera high tunnel.
- c. Provide a written final report to the Department by July 15, 2023, describing the results of the project and the use of funds to be made public by the Board.
- d. Provide services from July 1, 2022, through June 30, 2023.

B. ALLOWABLE COSTS AND PAYMENTS

- 1. The Department will provide a sum of up to ninety-one thousand six hundred fifty-one dollars (\$91,651) from the Winery and Grape Producers Promotional Fund to the Viticulture Program upon both parties' signature to this Agreement and the Viticulture Program incurring an obligation. The Viticulture Program shall present Interagency Billing Transaction (IBT) invoices to the Department from which payments shall be made.

2. Final Viticulture Program billing shall be received no later than July 15, 2023.
3. The source of funding for this Agreement is the Winery and Grape Producers Promotional Fund. Payment is contingent upon funding availability.
4. The Viticulture Program specifically agrees that funds provided under this Agreement shall be used only for the project and purposes enumerated herein.
5. 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.

C. AGREEMENT PERIOD

The term of this Agreement is from **July 1, 2022, to July 15, 2023**, unless sooner terminated or completed as provided for in Section D.

D. AGREEMENT PROVISIONS

1. Termination: This Agreement may be terminated, at any time, upon mutual written consent of the parties, or by either party, with or without cause, upon thirty (30) days written notice to the other party. In the event of termination, the Department shall be under no further obligation to the Viticulture Program, except that the Department shall pay the Viticulture Program for the cost of services provided up to the date of termination, subtracting any additional costs caused by the Viticulture Program's termination.
2. Project Completion: The project will be deemed to be complete when the Viticulture Program completely and fully performs as outlined in Section A, or when funding is no longer available, whichever occurs first.
3. Complete Understanding: 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.
4. Relationship of Parties: 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 and that the

Department assumes no responsibility beyond those specifically stated in this Agreement.

5. Assignable: This Agreement is not assignable without the express written approval of the Department.
6. Governing Law: This Agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the Department regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.
7. Indemnification:
 - a. General. The Viticulture Program, to the extent allowable by Nebraska State Law, agrees to defend, indemnify, hold, and save harmless the Department and its employees, volunteers, agents, and its appointed officials (hereafter “the indemnified parties”) from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses (hereafter “claim”), sustained or asserted against the Department, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Viticulture Program, its employees, subcontractors, consultants, representatives, and agents, except to the extent such liability is attenuated by any action of the Department which directly and proximately contributed to any claim. The obligation to indemnify shall survive the expiration or termination of this Agreement.
 - b. Personnel. The Viticulture Program shall, to the extent allowable by Nebraska State Law, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker’s compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel provided by the Viticulture Program.
8. Authority to Enter Agreement: The Viticulture Program certifies the individual signing this Agreement has the legal power, right, and authority to enter into this Agreement and to bind the Viticulture Program accordingly.

9. **Attorney's Fees:** In the event of any litigation, appeal, or other legal action to enforce any provision of this Agreement, the Viticulture Program agrees to pay all expenses of such action, as permitted by law, including attorney's fees and costs, if the Department is the prevailing party.
10. **Severability:** If any term or condition of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.
11. **Penalty for Breach:** In the event that the Viticulture Program fails to perform any substantial obligation under this Agreement, the Department may withhold all monies due and payable to the Viticulture Program, without penalty, until such failure is cured or otherwise adjudicated.

E. RECORDS AND WORK PRODUCT PROVISIONS

1. **Records Available:** The books of account, files, and other records of the Viticulture Program which are applicable to this Agreement shall be made available in the State of Nebraska for inspection, review, copying, and audit by the Department and its representatives, upon reasonable advance notice during the Viticulture Program's normal business hours, to determine the proper application and use of all funds paid to and for the account or benefits of the Viticulture Program. All records involving transactions related to this Agreement are to be maintained for a period of five (5) years from the date the term of this Agreement begins. 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 claim has been fully resolved and the Department has agreed that such records do not need to be retained.
2. **Auditing Standard:** The Department, under the Office of Management and Budget's Uniform Guidance, will utilize a risk-based approach to review federal and state contract dollars expended to subrecipients. This may include the Viticulture Program providing recent audit reports to evaluate prior audit experiences and audit findings; Department review of subrecipient control environment; the Department requiring additional oversight reports; and the Viticulture Program providing copies of invoices detailing how the Department funds were expended.

F. COMPLIANCE PROVISIONS

1. Nondiscrimination:
 - a. The Viticulture Program, and any and all subcontractors, shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act, Neb. Rev. Stat. §§48-1101 to 48-1125, prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensations, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin. The Viticulture Program guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of this Agreement. The Viticulture Program shall insert a similar provision in all subcontracts for services to be covered by any contract resulting from this Agreement.
 - b. It is further understood and agreed, that if the Viticulture Program is in violation of this clause, it shall be immediately barred from receiving further funds, unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such act or action is unlikely.
2. ADA Compliance: All provisions under this Agreement are subject to the Americans with Disabilities Act.
3. Worker's Compensation: The Viticulture Program, and any and all subcontractors guarantee payment of compensation to injured workers according to the Nebraska Worker's Compensation Act which is valid for the life of the Agreement including any extensions of the Agreement.
4. Drug Free: The Viticulture Program, and any and all subcontractors shall have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy shall contain: A statement notifying employees the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited; the specific actions that will be taken for violating the policy; and a requirement that each

employee receive a copy of the policy.

5. Immigration Verification: The Viticulture Program, and any and all subcontractors, shall 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 electronics verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as 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 newly hired employees.
6. Early State Agreement Termination or Certification Regarding Debarment: The Viticulture Program certifies that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency from participating in transactions (debarred). The Viticulture Program further certifies that it has not had an agreement with the State of Nebraska terminated early by the State of Nebraska. If the Viticulture Program has had an agreement terminated early by the State of Nebraska, it shall provide the agreement number, along with an explanation of why the agreement was terminated early. The Viticulture Program also agrees to include the requirements of this paragraph in any and all subcontracts into which it enters. The Viticulture Program shall immediately notify the Department if, during the term of this Agreement, the Viticulture Program becomes debarred or has an agreement with the State of Nebraska terminated early. The Department may immediately terminate this Agreement by providing the Viticulture Program written notice if the Viticulture Program becomes debarred or if the Viticulture Program has an agreement terminated early by the State of Nebraska during the term of this Agreement.

G. COMMUNICATION BETWEEN PARTIES

All notices, requests, or other communications shall be in writing and shall be deemed to have been given if delivered personally, emailed, or mailed, by U.S. Mail or other mail delivery service, to the addresses set forth herein. Either party may change its email address or mailing address for notification purposes by giving notice of the change and setting forth the new address and the effective date.

For the Department:
Casey Foster
Nebraska Department of Agriculture

PO Box 94947
Lincoln, NE 68509-4947
casey.foster@nebraska.gov

For the Viticulture Program:
Dr. Paul Read
University of Nebraska - Lincoln PLSH 377J
Lincoln, NE 68583
402-472-5136
pread1@unl.edu

With a copy to:
University of Nebraska - Lincoln Office of Sponsored Programs
151 Prem S. Paul Research Center 2200 Vine Street
PO Box 830861
Lincoln, NE 68583-0861
unlosp@unl.edu

IN WITNESS WHEREOF, the parties executed this Agreement.

DEPARTMENT OF AGRICULTURE

Date

Steve Wellman, Director

UNIVERSITY OF NEBRASKA ON BEHALF
OF THE UNIVERSITY OF NEBRASKA –
LINCOLN

Date

David B. Doty, Director
Sponsored Programs

AGREEMENT
BETWEEN THE
NEBRASKA DEPARTMENT OF AGRICULTURE
AND THE
NEBRASKA WINERY AND GRAPE GROWERS ASSOCIATION
#18-13-282

This Agreement is entered into by and between the Nebraska Department of Agriculture, (hereafter “Department”) and the Nebraska Winery and Grape Growers Association, (hereafter “NWGGA”).

PURPOSE: The purpose of this Agreement is to provide funding, as authorized by the Nebraska Grape and Winery Board, to NWGGA to implement a marketing and promotional program to increase the awareness, consumption, and preference for Nebraska wines.

AUTHORITY: This Agreement is being entered into pursuant to the Nebraska Grape and Winery Board, (hereafter “Board”) statutes, Neb. Rev. Stat. §53-301 to 53-305 which provides the Winery and Grape Producers Promotional Fund to be used by the Department at the direction of, and in cooperation with, the Board to develop programs that promote the wine industry in Nebraska.

The Board has conducted a public board meeting and directed the Department to provide funds to NWGGA.

THEREFORE, in consideration of the covenants herein contained, it is agreed by and between the parties hereto as follows:

A. DESCRIPTION OF WORK

1. NWGGA agrees to:
 - a. Utilize funds to implement a Nebraska wine and grape industry marketing program that consists of multiple components. The marketing activities will include, but will not necessarily be limited to, the following:
 - i. Nebraska Wine Passport (Phase 1). This program is designed to provide an incentive for tourists and consumers to visit a significant number of wineries

and tasting rooms across the state. The Nebraska Wine Fans email marketing list includes those who have requested passports. This list is used to cross-promote the TOAST Wine Festival as well as input on Facebook Ads Manager to create lookalike audiences for a heightened return on investment on social media buys. Funds will pay for the creation, printing, execution, distribution, and promotion of the passports. It will also pay for website redesign and updates.

- ii. Nebraska Wine Passport Travel Guides (Phase 2). The travel guides will help assist new and current passport users with planning their winery trips to complete their passport. It will also help engage surrounding businesses near wineries and grow partnerships that can be leveraged for future passport promotion and execution.
- iii. Nebraska Wine Passport Program (Phase 3). Funds will pay for passport prizes and shirts that will be awarded to those who return their passports.
- iv. Social Media Community Content. In 2021-22, NWGGA created a year-long content calendar with twice weekly original content promotions and additional industry events and membership social media post shares. Through Nebraska Wines Facebook and Instagram communities, NWGGA has created a consistent presence with the consumer base to keep the Nebraska wine industry, its members, promotions, and events top of mind. NWGGA plans to continue these same efforts throughout 2022 and 2023.
- v. Digital Passport Development. Funds will be utilized to advance the Nebraska Wine Passport Program into the digital age with a user-friendly web app. A digital wine passport will enable participants to participate via an app instead of tracking stamps on the passport books.
- vi. Seasonal Campaigns. Funds will enable NWGGA to continue its marketing efforts throughout the year. The primary focus will be on summer passports and holiday promotions. Provide a written final report to

the Department by July 15, 2023, describing the results of the project and the use of funds, to be made public by the Nebraska Grape and Winery Board.

b. Provide services from July 1, 2022, through June 30, 2023.

B. ALLOWABLE COSTS and PAYMENTS

1. The Department shall provide a sum of up to one hundred ten thousand dollars (\$110,000) from the Winery and Grape Producers Promotional Fund to NWGGA upon both parties signing this Agreement and NWGGA incurring an obligation.
2. Final NWGGA billing shall be received no later than July 15, 2023.
3. The source of funding for this Agreement is the Winery and Grape Producers Promotional Fund. Payment is contingent upon funding availability.
4. NWGGA specifically agrees that funds provided under this Agreement shall be used only for the project and purpose enumerated herein.
5. 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.

C. AGREEMENT PERIOD

The term of this Agreement is from **July 1, 2022, to July 15, 2023**, unless sooner terminated or completed as provided for in Section D.

D. AGREEMENT PROVISIONS

1. Termination: This Agreement may be terminated, at any time, upon mutual written consent of the parties, or by either party, with or without cause, upon thirty (30) days written notice to the other party. In the event of termination, the Department shall be under no further obligation to NWGGA, except that the Department shall pay NWGGA for the cost of services provided up to the date of termination, subtracting any additional costs caused by NWGGA's termination.
2. Project Completion: The project will be deemed to be complete when to the Department's satisfaction the NWGGA completely and fully performs as outlined in Section A, or when funding is no longer available, whichever occurs first.

3. Complete Understanding: 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.
4. Relationship of Parties: The relationship of the Department and the NWGGA under this Agreement shall be that of principal and independent contractor. It is understood by both the Department and the NWGGA that the NWGGA is not an employee of the Department and that the Department assumes no responsibility beyond those specifically stated in this Agreement.
5. Assignable: This Agreement is not assignable without the express written approval of the Department.
6. Governing Law: This Agreement shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the Department regarding this Agreement shall be brought in the State of Nebraska administrative or judicial forums as defined by Nebraska State law.
7. Indemnification:
 - a. General. The NWGGA, to the extent allowable by Nebraska State Law, agrees to defend, indemnify, hold, and save harmless the Department and its employees, volunteers, agents, and its appointed officials (hereafter “the indemnified parties”) from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses (hereafter “claim”), sustained or asserted against the Department, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the NWGGA, its employees, subcontractors, consultants, representatives, and agents, except to the extent such liability is attenuated by any action of the Department which directly and proximately contributed to any claim. The obligation to indemnify shall survive the expiration or termination of this Agreement;
 - b. Personnel. The NWGGA shall, to the extent allowable by Nebraska State Law, at its expense, indemnify and hold harmless the indemnified parties from and against any claim

with respect to withholding taxes, worker's compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel provided by the NWGGA.

8. Authority to Enter Agreement: The NWGGA warrants the individual signing this Agreement has the legal power, right, and authority to enter into this Agreement and to bind NWGGA accordingly.
9. Attorney's Fees: In the event of any litigation, appeal, or other legal action to enforce any provision of this Agreement, the NWGGA agrees to pay all expenses of such action, as permitted by law, including attorney's fees and costs, if the Department is the prevailing party.
10. Severability: If any term or condition of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular provision held to be invalid.
11. Penalty for Breach: In the event that the NWGGA fails to perform any substantial obligation under this Agreement, the Department may withhold all monies due and payable to the NWGGA, without penalty, until such failure is cured or otherwise adjudicated.

E. RECORDS AND WORK PRODUCT PROVISIONS

1. Records Available: The books of account, files, and other records of the NWGGA which are applicable to this Agreement shall be made available in the State of Nebraska for inspection, review, copying, 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 benefits of the NWGGA. All records involving transactions related to this Agreement are to be maintained for a period of five (5) years from the date the term of this Agreement begins. If any litigation or audit is begun, or a claim is instituted involving the Agreement, the NWGGA shall retain the records beyond the five (5) year period until litigation, audit findings, or claim has been fully resolved and the Department has agreed that such records do not need to be retained.
2. Auditing Standard: The Department, under the Office of Management and Budget's Uniform Guidance, will utilize a risk-based approach to review federal and state contract dollars

expended to subrecipients. This may include the NWGGA providing recent audit reports to evaluate prior audit experiences and audit findings; Department review of subrecipient control environment; the Department requiring additional oversight reports; and the NWGGA providing copies of invoices detailing how the Department funds were expended.

F. COMPLIANCE PROVISIONS

1. Nondiscrimination:
 - a. The NWGGA, and any and all subcontractors, shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act, Neb. Rev. Stat. §§48-1101 to 48-1125, prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensations, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin. The NWGGA guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of this Agreement. The NWGGA shall insert a similar provision in all subcontracts for services to be covered by any contract resulting from this Agreement.
 - b. It is further understood and agreed, that if the NWGGA is in violation of this clause, it shall be immediately barred from receiving further funds, unless a satisfactory showing is made that discriminatory practices have terminated and that a recurrence of such act or action is unlikely.
2. ADA Compliance: All provisions under this Agreement are subject to the Americans with Disabilities Act.
3. Worker's Compensation: The NWGGA, and any and all subcontractors guarantee payment of compensation to injured workers according to the Nebraska Worker's Compensation Act which is valid for the life of the Agreement including any extensions of the Agreement.
4. Drug Free: The NWGGA, and any and all subcontractors shall have in force during the Agreement period, and available for inspection, a policy regarding a drug-free workplace. The policy

shall contain: A statement notifying employees the unlawful manufacture, distribution, possession, or use of a controlled substance is prohibited; the specific actions that will be taken for violating the policy; and a requirement that each employee receive a copy of the policy.

5. Immigration Verification: The NWGGA, and any and all subcontractors shall 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 electronics verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as 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 newly hired employees.
6. Early State Agreement Termination or Certification Regarding Debarment: The NWGGA certifies that NWGGA is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency from participating in transactions (debarred). The NWGGA further certifies that NWGGA has not had an agreement with the State of Nebraska terminated early by the State of Nebraska. If the NWGGA has had an agreement terminated early by the State of Nebraska, NWGGA shall provide the agreement number, along with an explanation of why the agreement was terminated early. The NWGGA also agrees to include the requirements of this paragraph in any and all subcontracts into which it enters. The NWGGA shall immediately notify the Department if, during the term of this Agreement, the NWGGA becomes debarred or has an agreement with the State of Nebraska terminated early. The Department may immediately terminate this Agreement by providing the NWGGA written notice if the NWGGA becomes debarred or if NWGGA has an agreement terminated early by the State of Nebraska during the term of this Agreement.

G. COMMUNICATION BETWEEN PARTIES

All notices, requests, or other communications shall be in writing and shall be deemed to have been given if delivered personally, emailed, or mailed, by U.S. Mail or other mail delivery service, to the addresses set forth herein. Either party may change its email address or mailing address for notification purposes by giving notice of the change and setting forth the new address and the effective date.

For the Department:
Casey Foster
Nebraska Department of Agriculture
PO Box 94947
Lincoln, NE 68509-4947
casey.foster@nebraska.gov

For NWGGA:
Kathi Schildt
Executive Director
Nebraska Winery & Grape Growers Association
521 First Street
Milford, NE 68405
kathi@nebraskawines.org

IN WITNESS WHEREOF, the parties executed this Agreement.

DEPARTMENT OF AGRICULTURE

Date

Steve Wellman, Director

NEBRASKA WINERY AND GRAPE
GROWERS ASSOCIATION

Date

Kara Sousek, President

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.

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<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, except that at the expiration of the terms of the members in 2021, the Governor shall appoint one member for a term of one year, two members for a term of two years, and two members for a term of three years, and their successors shall be appointed for a term of three years. Upon completion of a term, a member 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 53301 to 53305.

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.

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<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

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Section	Subject
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. 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.
 - h. Store and warehouse products produced at the farm winery in a designated, secure, offsite storage facility if the holder of the farm winery license notifies the commission of the location of the facility and maintains, at the farm winery and at the facility, a separate perpetual inventory of the product stored at the facility. Consumption of alcoholic liquor at the facility is strictly prohibited.
- (2) No farm winery shall manufacture wine in excess of fifty thousand gallons per year.
- (3) A farm winery may manufacture and sell hard cider on its licensed premises. A farm winery shall not otherwise distribute the hard cider it manufactures except by sale to a wholesaler licensed under the Nebraska Liquor Control Act
- (4) A holder of a farm winery license may obtain a special designated license pursuant to section 53-124.11.
- (5) A holder of a farm winery license may obtain an annual catering license pursuant to section 53-124.12.

53-123. 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 53124, which fee shall be returned to the applicant if the application is denied; and

- (3) Pay the state registration fee to the commission in the sum of forty-five dollars.

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

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

- (1) If the operator of a farm winery is unable to produce or purchase seventy-five percent of the grapes, fruit, or other suitable agricultural products used in the farm winery from within the state due to natural disaster which causes substantial loss to the Nebraska-grown crop, such operator may petition the commission to waive the seventy-five-percent requirement prescribed in section 53-103.13 for one year.
- (2) It shall be within the discretion of the commission to waive the seventy-five percent requirement taking into consideration the availability of products used in farm wineries in this area and the ability of such operator to produce wine from products that are abundant within the state.
- (3) If the operator of a farm winery is granted a waiver, any product purchased as concentrated juice from grapes or other fruits from outside of Nebraska, when reconstituted from concentrate, may not exceed in total volume along with other products purchased the total percentage allowed by the waiver.
- (4) Any product purchased under the waiver or as part of the twenty-five percent of allowable product purchased that is not Nebraska-grown for the production of wine shall not exceed the twenty-five percent volume allowed under state law if made from concentrated grapes or other fruit, when reconstituted. The concentrate shall not be reduced to less than twenty-two degrees Brix in accordance with 27 C.F.R. 24.180.

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

- (1) No person shall order or receive alcoholic liquor in this state which has been shipped directly to him or her from outside this state by any person other

than a holder of a shipping license issued by the commission, except that a licensed wholesaler may receive not more than three gallons of wine in any calendar year from any person who is not a holder of a shipping license.

- (2) The commission may issue a shipping license to a manufacturer. Such license shall allow the licensee to ship alcoholic liquor only to a licensed wholesaler, except that a licensed wholesaler may, without a shipping license and for the purposes of subdivision (2) of section 53-161, receive beer in this state which has been shipped from outside the state by a manufacturer in accordance with the Nebraska Liquor Control Act to the wholesaler, then transported by the wholesaler to another state for retail distribution, and then returned by the retailer to such wholesaler. A person who receives a license pursuant to this subsection shall pay the fee required in sections 53-124 and 53-124.01 for a manufacturer's shipping license. Such fee shall be collected by the commission and be remitted to the State Treasurer for credit to the General Fund.
- (3) The commission may issue a shipping license to any person who deals with vintage wines, which shipping license shall allow the licensee to distribute such wines to a licensed wholesaler in the state. For purposes of distributing vintage wines, a licensed shipper must utilize a designated wholesaler if the manufacturer has a designated wholesaler. For purposes of this section, vintage wine shall mean a wine verified to be ten years of age or older and not available from a primary American source of supply. A person who receives a license pursuant to this subsection shall pay the fee required in sections 53-124 and 53-124.01 for a vintage wine dealer's shipping license. Such fee shall be collected by the commission and be remitted to the State Treasurer for credit to the General Fund.
- (4) The commission may issue a shipping license to any person 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 53164.01 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 53164.01 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 53164.01 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.