

WA

46°N

WINE

WASHINGTON STATE WINE COMMISSION

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7/23/24

STATUTE AND GOVERNANCE

DEFINING STATUTE

The Washington State Wine Commission is a State Agency, established in 1987 by RCW 15.88. Additional Commission governance language can be found in RCW 66.12.180.

GOVERNANCE

- The Washington State Wine Commission is governed by a Board of 13 Commissioners.
- 5 wine producers, 5 grape growers, 1 wholesale distributor, 1 non-vinifera producer, and a WSDA representative.
- Commissioners are appointed by the Director of the Washington State Department of Agriculture based on nominations from the WA Winegrowers Association, and the Washington Wine Institute.
- Commissioners serve 3-year terms.



MISSION STATEMENT

On behalf of the State of Washington and its wineries and growers,
the mission of the Washington State Wine Commission is to

DRIVE GROWTH of WASHINGTON STATE WINE

through marketing, communications, and
viticulture & enology research.



STRATEGIC PILLARS

THE FOUR STRATEGIC PILLARS

DRIVE
WASHINGTON
WINE
BRAND
STORY



ACTIVATE
DISTRIBUTOR
+
TRADE
PARTNERSHIPS



INCREASE
MEDIA
+
COMMUNICATIONS
IMPACT



FUND AND
PROMOTE
VITICULTURE
AND ENOLOGY
RESEARCH



WA STATE WINE INDUSTRY HIGHLIGHTS

Total Economic Impact

- Washington wine industry generates close to **\$9.51 billion** in total in-state economic activity.
- Broader economic impact flows throughout the state, generating business for companies working alongside the wine industry.

State Reach

- Washington is currently home to **1,050 active winery licenses** and just over **61,000 acres** of planted vineyards.
- Washington is **number two in U.S. wine production**, with California as the largest wine producer, and New York and Oregon closely behind.
- Washington has **20 distinct American Viticultural Areas** and Washington wines are exported to **74 countries**.

Job Creation

- Washington's wine industry directly employs as many as **33,015 people** and generates an additional 13,536 jobs in supplier and ancillary businesses.
- Ultimately **61,372 jobs** are created and supported by the Washington wine industry.

WINE: THE BIG PICTURE

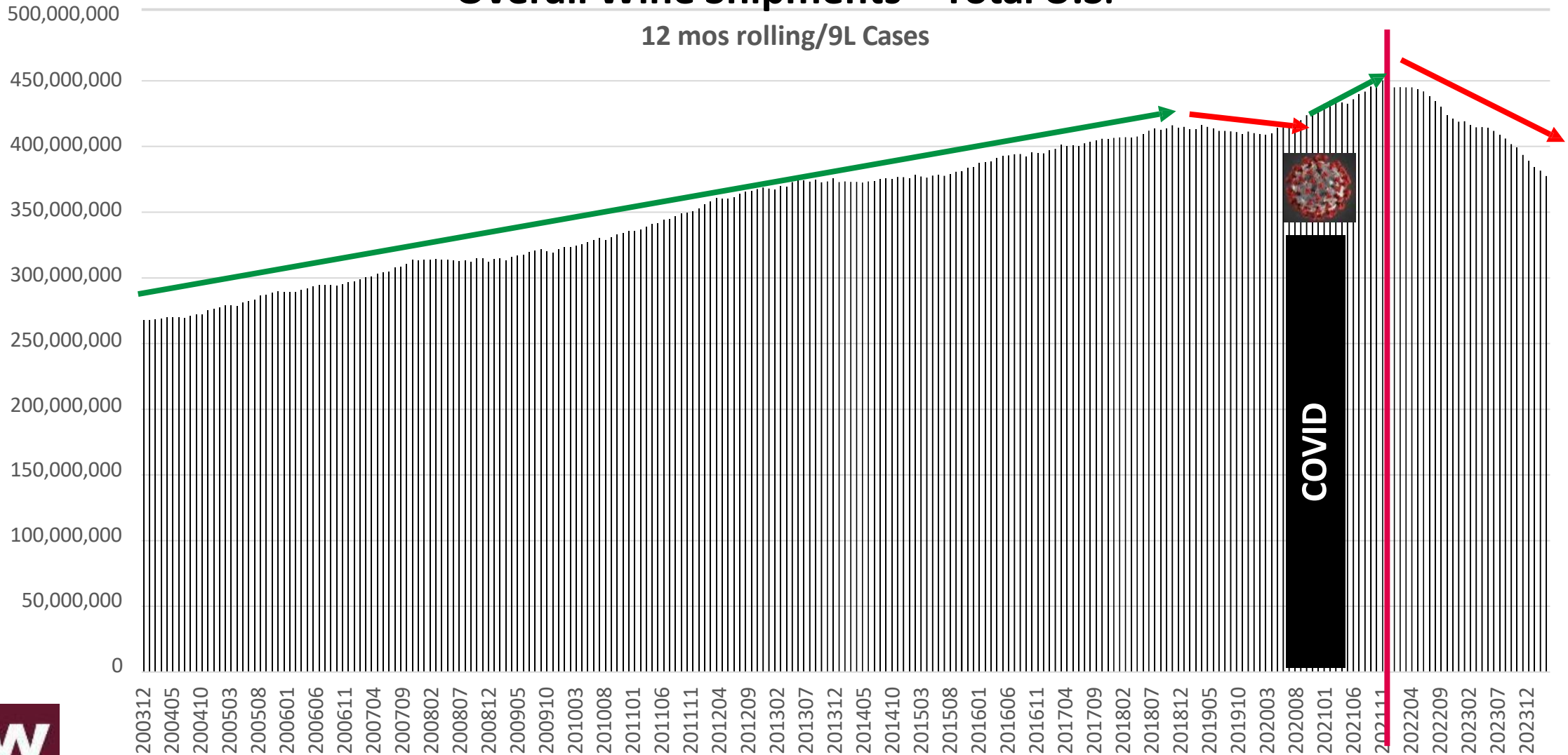
- Overall consumer demand for Wine is challenging
 - Now a 'mature' category
 - Not just here – it's a global issue
 - Challenging for Beer, and now Core Spirits too
- Lower tiers (<\$11) responsible for the largest (but not all) the losses
- Premiumization resulting in Dollars better than Volume
- There are more Wine drinkers today than 10 years ago, but...
 - Some are drinking less overall
 - Others are spreading their drinking occasions more broadly
- Even if fewer than before, there are still supplier & brand winners



WINE HAS COME A LONG WAY OVER TIME, BUT RECENT DECLINES

Overall Wine Shipments – Total U.S.

12 mos rolling/9L Cases



THE CONSUMER

- 10K turn 21 every day
 - 1 of every 2 of those are multi-cultural; Wine much less developed than Beer & Spirits among these growing racial/ethnic segments
 - Gen Z approaching Bev Al with caution
- More and more interest in better for “me” and “we” (health and wellness; planetary health); lifestyle of moderation growing in importance
- Boomers + still very important for Wine – and living longer



CONSUMER DRIVERS/THEMES

1. Consumers drinking across the Bev Alc aisle
2. Importance of multi-cultural/diverse segments
3. Flavor forward
4. Convenience seeking – what/where/how they buy
5. Wellness driven – for ‘me’ and ‘we’
 - Social moderation/healthier lifestyles
 - Sustainability/Planetary health
6. Transparency seeking
7. Importance of company purpose/values
8. Simplicity; not complexity
9. Seeking ‘experiences’
10. Experimental Driven



The background of the image is a topographic map of Washington state, rendered in a monochromatic orange-red color. The map features intricate contour lines that represent the state's diverse terrain, including mountain ranges and valleys. The text is centered horizontally and vertically over the map.

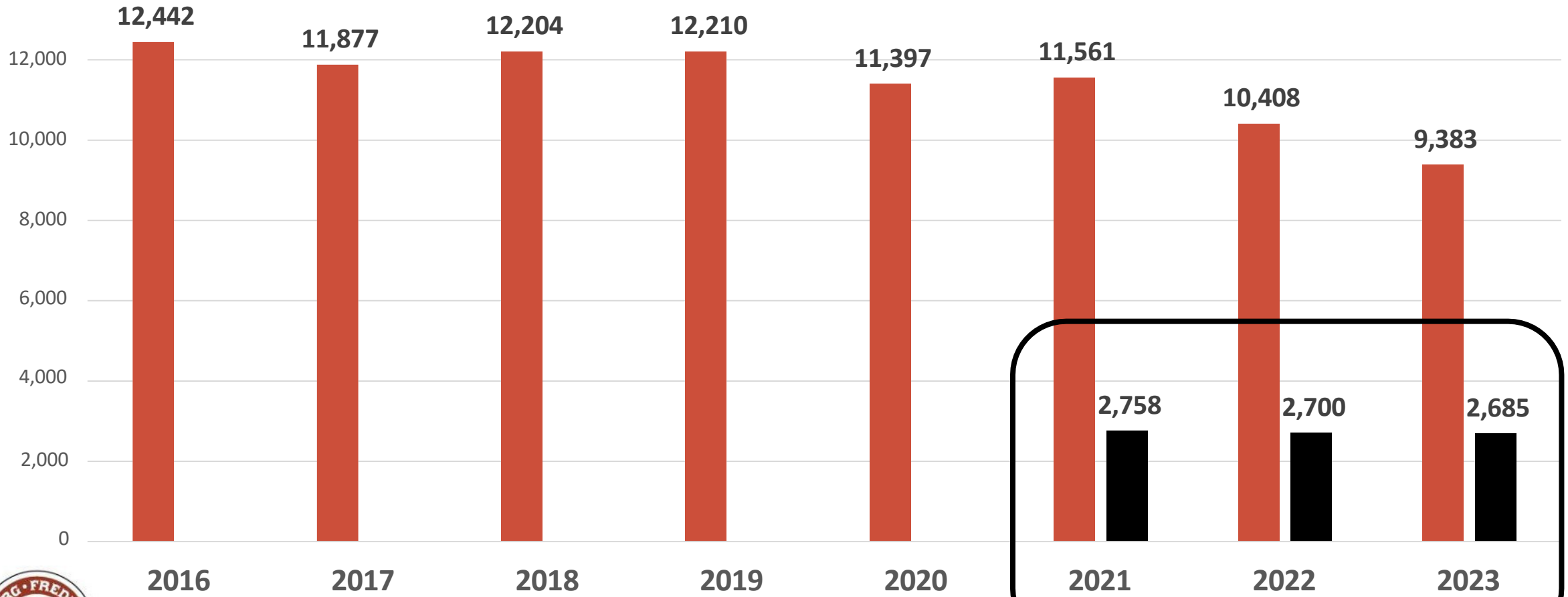
THE WASHINGTON STATE PICTURE

WASHINGTON STATE SHIPMENTS – EXCL TOP 4 SUPPLIERS

Washington Table Wine Trend – Shipment Volume

9L Cases (000)

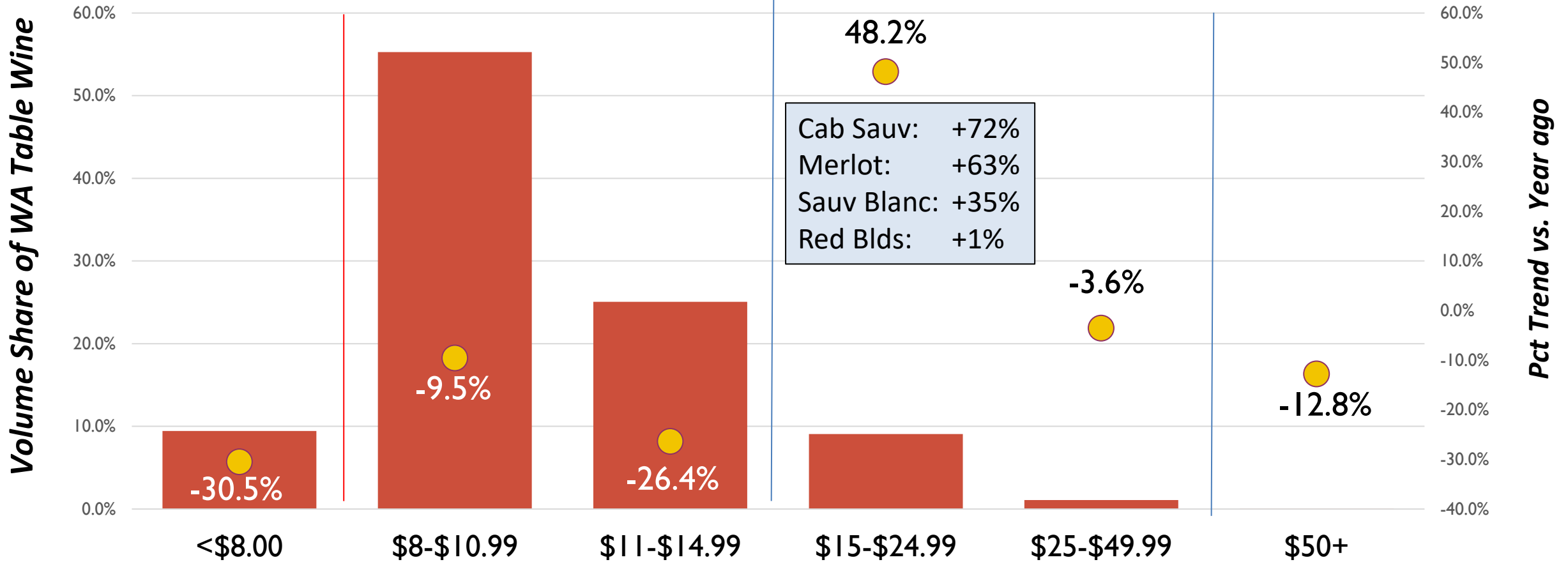
■ Ttl Shipments ■ excl top 4 suppliers



WHILE WASHINGTON STATE VOLUMES ARE DOWN OVERALL, \$15-\$25 IS A SIGNIFICANT BRIGHT SPOT FOR WASHINGTON

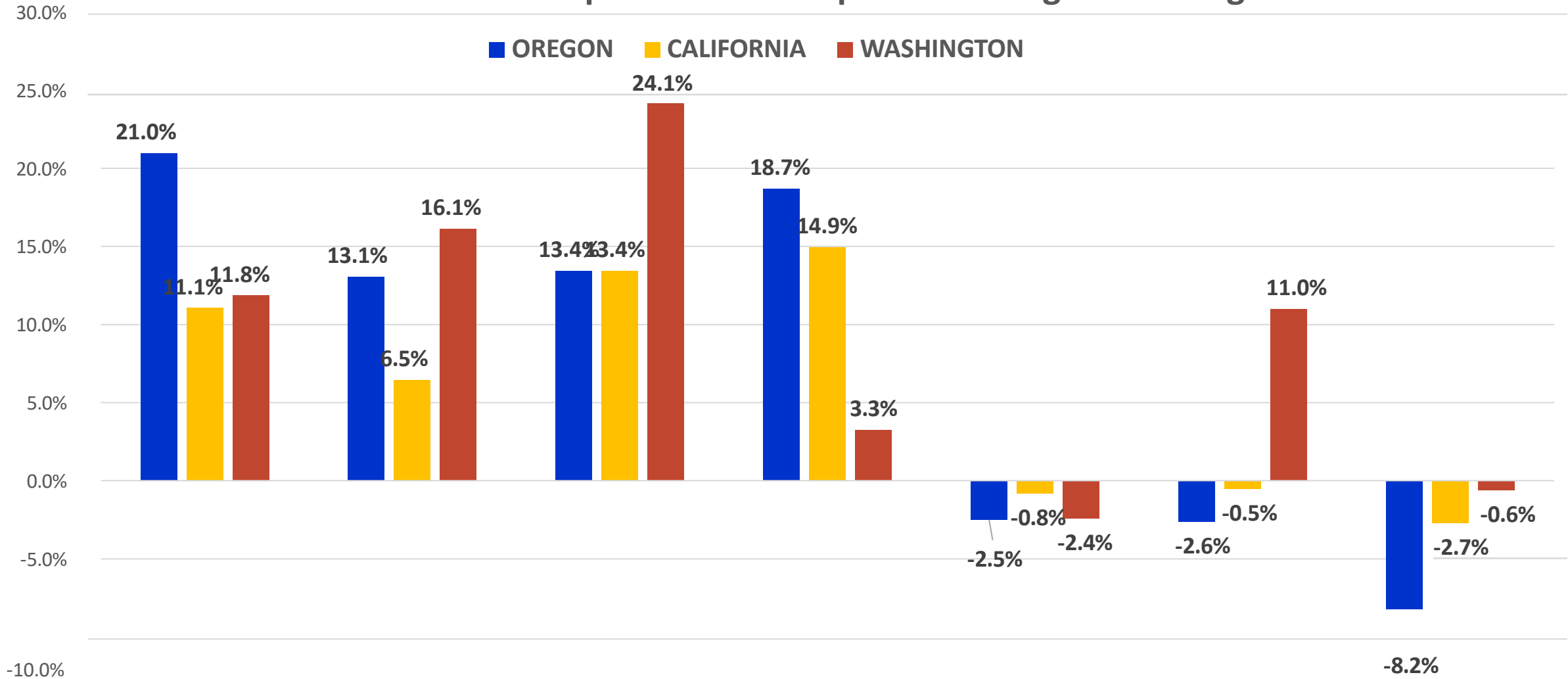
Washington Table Wine – by Price Tier (Volume)

■ Volume Share ● Pct Trend



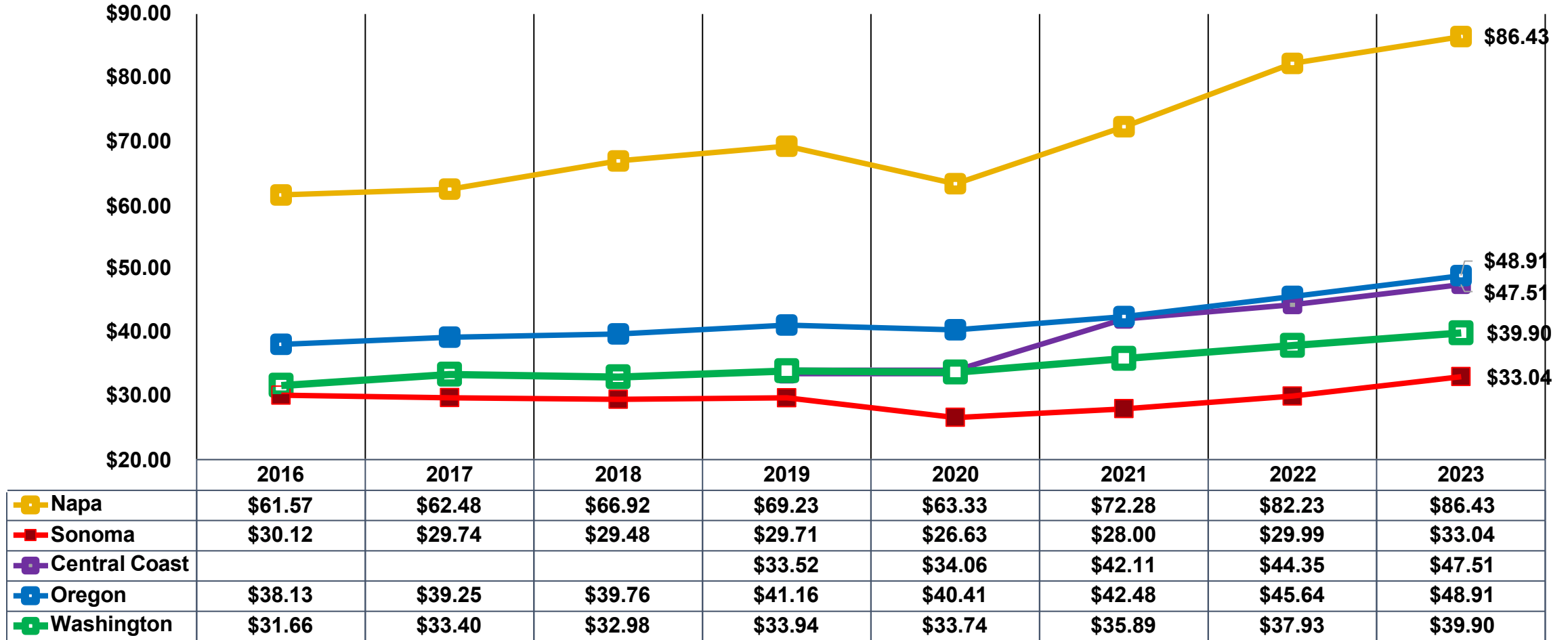
WASHINGTON STATE DTC SHIPMENTS BOUNCED BACK STRONGLY IN 2023; GENERALLY PERFORMING BETTER THAN OUR NEIGHBORS

Total U.S. DtC Shipments - Dollar percent change vs Year Ago



UNLIKE SOME OTHERS, WA PRICING HAS RISEN GREATLY

DtC Shipments – Average Bottle Price



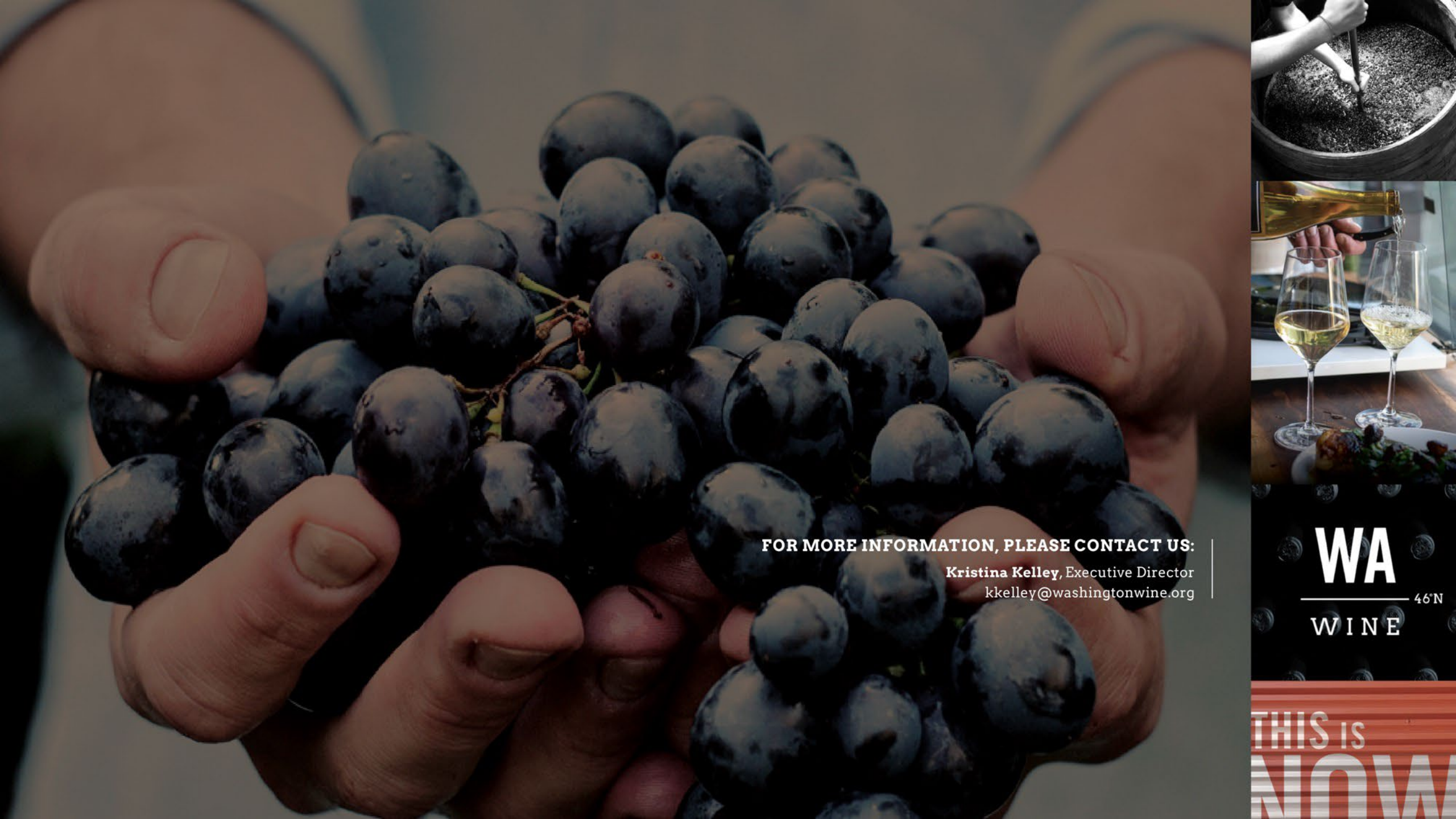
■ Napa
 ■ Sonoma
 ■ Central Coast
 ■ Oregon
 ■ Washington

A scenic landscape of a river valley with vineyards and a bridge at sunset. The sun is low on the horizon, casting a warm glow over the scene. The river flows through the center, with a bridge crossing it. The surrounding hills are covered in green vineyards and some dry grass in the foreground. The overall atmosphere is peaceful and beautiful.

BRAND STORY

Washington wine is the Pacific Northwest in every bottle. It is defined by greatness; unrivaled natural beauty, endless adventure, and products that change the world. We are an inclusive community, driven by a spirit of collaboration, and an obsession with quality and innovation. In Washington, we play outside the lines where anything is possible.

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FOR MORE INFORMATION, PLEASE CONTACT US:

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**THIS IS
NOW**