



COLORADO

**Wine Industry
Development Board**

Strategic Plan
(Adopted Sept. 3, 2020)

Colorado Wine Industry Development Board

Vision:

Our long-term ambition is for Colorado to be recognized globally as a premier wine experience.

Mission:

To promote and develop the growth and quality of the CO wine industry through marketing, research, and education.

Strategic Priorities:

Elevate, develop and energize the Colorado wine brand;

Foster greater cooperation, communication and participation within the wine industry;

Provide appropriate information to Colorado vineyards and wineries so that they may achieve economic viability;

Promote effective relationships with beverage wholesalers, retailers, restaurants, and other complementary industry partners;



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Executive Summary

Board of Directors

Eastern Slope Winery Representative

Doug Kingman, Kingman Estates (**Marketing**)
(2017-2021)

Grand Valley AVA Winery Representative

Bret Neal, Stoney Mesa Winery (**Board Chair, Planning**)
(2017-2021)

Western Slope Winery Representative

Guy Drew, Guy Drew Vineyards (**Board Secretary**)
(2017-2021)

At large Winery Representatives

Candice Mohr, Snowy Peaks Winery (**Econ Development**) (2018-2022)
Tom Bueb, Turquoise Mesa Winery (**Quality**)
(2016-2024)

Wholesale Distributor Representatives

David Jenkins, Veraison Beverage Company
(2020-2024)
Aaron Steinke, Estate Brands Distributing (**Legislative**)
(2019-2023)

Wine Grape Producer Representative

Neil Jaquet, Ambelos Vineyards (**Research**) (2017-2021)

Retail Representative

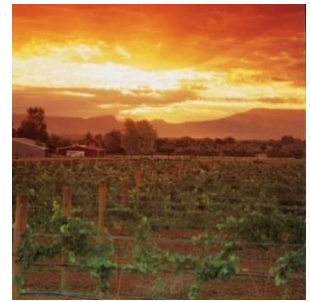
Kevin Webber, Carboy Winery (2018 -2022)

Ex-Officio Representatives

Max Ariza (**Public**) (appointed 2012)
Dr. Jessica Davis (**CSU**) (appointed 2017)
Doug Price (**Tourism**) (appointed 2018)

CWIDB Staff

Doug Caskey, Executive Director
Kyle Schlachter, Marketing Coordinator
Tom Lipetzky, CDA Markets Division Director
Dr. Horst Caspari, CSU Viticulturist
Miranda Ulmer, CSU Viticulture Extension Specialist



Dear Industry Colleagues,

Your Board of Directors and team at the Colorado Wine Industry Development Board (CWIDB) has developed this Strategic Plan that is designed to outline how to **promote the quality, development, and growth of the Colorado wine industry** over the next five years. The Board presents this document to provide the industry with a greater insight into how the Board uses its funds to achieve the ultimate vision of a prosperous and highly regarded Colorado wine industry.

The intent of the Strategic Plan is to provide an overview of the approved goals and strategies the CWIDB will pursue. Collective and individual meetings have been undertaken in order to know better the issues surrounding the wine industry.

The impetus of designing this plan was to create a cohesive agenda on how we will strategically grow the Colorado Wine brand.

Our Annual Operational Plan will detail our planned activities, intended outcomes, and measures of success of our Strategic Plan. Each year, we will reevaluate and revise the Annual Operational Plan as necessary to further the strategic objectives outlined in the Strategic Plan. The Strategic Plan shall be evaluated and revised at least every five years.

The following pages detail the investment of the funds supporting the CWIDB in advancing Colorado wine. We appreciate hearing from the industry as we work towards initiatives to maximize your success and keep Colorado's wine industry growing at a sustainable rate.

Regards,

Your Board of Directors and Staff

Overview

Profile

The Colorado wine industry is a growing, vibrant industry that contributes more than \$300 million dollars to the state's economy every year. The industry benefits Colorado by creating jobs, tax revenues, rural development, tourism, and agricultural land conservation. While the industry is growing, a number of factors are limiting the potential growth, including but not limited to a lack of investment in research, marketing, and education.

The Colorado wine industry leadership, represented by the Colorado Wine Industry Development Board (CWIDB) and the Colorado Association for Viticulture and Enology (CAVE) have worked with the state's wineries as ambassadors to hundreds of thousands of wine consumers, promoting the value of Colorado wine that goes beyond just the pleasure it provides in the glass.

Background

Winegrapes were grown on Rapid Creek and in the Vinelands in the early part of the 20th Century, but for personal use, rather than commercial production. One of the early grape growers was former Governor George A. Crawford who planted sixty acres of grapes and other fruit near Rapid Creek above the town of Palisade in 1890. By 1909, over 1,000 Colorado farms were involved in the production of over one million pounds of grapes, again mostly for personal use. Prohibition, as well as a vine disease, wiped out early grape production and fruit trees replaced the vineyards. Shortly after the repeal of Prohibition, the first two federally bonded wineries, Ambrose & Company and Carbone & Company, opened in Denver on Wazee St. Both packaged bulk wine brought in from elsewhere. There were the only two Colorado "wineries" for approximately 30 years.

With the game-changing 1962-63 winter freeze in Palisade, and a depressed price for peaches, growers pulled damaged peach orchards and explored planting apples and wine grapes on a commercial basis. In the late 1960's, Gerald Ivancie, along with winemaker Warren Winiarski, introduced Western Colorado to its modern phase of commercial *Vitis vinifera* grape growing. Ivancie, whose family had grown grapes and made wine in Slovenia for generations, moved from Minnesota to Denver in 1958. In 1968, Ivancie hired a young winemaker by the name of Warren Winiarski away from Robert Mondavi Winery in Napa Valley and began making wine in Colorado from grapes purchased in California. Winiarski oversaw the purchase and shipment of grapes from the North Coast of California and met them when they arrived in Denver. Winiarski oversaw the winemaking for Ivancie Cellars until 1970 when he founded Stag's Leap Wine Cellars in Napa Valley. Winiarski would go on to fame after his 1973 S.L.V. Cabernet Sauvignon won the Judgement of Paris tasting in 1976. With Winiarski no longer at the helm, ever-increasing shipping costs and a shortage of grapes from harsh weather in California turned Ivancie's eyes to Western Colorado. He knew grapes grew well where stone fruit grew. However, Ivancie Cellars closed before the fruits of his labor in Western Colorado could be realized.

The fourth licensed winery - Franciscan Vineyards of Colorado - was even shorter-lived than Ivancie Cellars. Silver Oak founders Justin Meyer and Ray Duncan bought Franciscan Vineyards in Napa Valley in 1975 and

operated a tasting room in downtown Denver in 1977 and 1978 before selling Franciscan Vineyards in 1979.

In 1976, the United States Congress, through the “Four Corners Commission,” approved a \$95,000 grant to conduct the “Four Corners Grape Development Project” in the “four corners” states of Arizona, New Mexico, Utah, and Colorado. This research was the spark that caused the modern Colorado wine industry to take off. Colorado Mountain Vineyards (bonded winery number five) was the first commercial winery since prohibition to use Colorado-grown grapes when it opened in 1978, founded by Jim and Ann Seewald with a group of investors that included Bennett Price. In 1990, with five licensed and operating wineries, the Colorado General Assembly created the Colorado Wine Industry Development Board, and the Grand Valley American Viticultural Area (AVA) was recognized as the first federally designated AVA in Colorado. In 2001, the West Elks AVA became the second federally recognized wine region in Colorado.

In 2020, approximately 170 licensed wineries (wine, cider, mead and sake producers) and more than 120 grape growers produced over 185,000 cases of wine from more than 800 acres of vines grown all over the state. Agritourism has blossomed around the many wine trails across the state, offering those regions the benefits of both in-state and out-of-state tourists who visit wineries, shops, restaurants, and hotels. *Wine Enthusiast Magazine* also named the Grand Valley as one of the “Top Ten Wine Getaways of 2018” in its annual travel issue. Colorado continues to appear on lists of top wine regions to visit or explore by various publications. One of the tasks of the CWIDB is to continue to promote the industry so it can realize its full potential in this state and build off the successes of the past.

Financial Summary

Colorado’s wineries and vineyards help themselves. The Colorado Wine Industry Development Act of 1990 created the CWIDB. The CWIDB is funded by a series of fees that go into the Colorado Wine Industry Development Fund (C.R.S. 35-29.5-105 (1)). A wine development fee at the rate of 1.0 cent per liter is imposed on all vinous liquors offered for sale in Colorado. An additional excise tax surcharge at the rate of 5.0 cents per liter for the first nine thousand liters, 3.0 cents per liter for the next thirty-six thousand liters, and 1.0 cent per liter for all additional amounts, is imposed on all vinous liquors produced by Colorado licensed wineries. Finally, an excise tax of ten dollars per ton of produce is imposed upon all grapes of the *V. vinifera* varieties, or other produce (non-*vinifera* grapes, honey, and other fruit), used in the production of wine in this state by a licensed Colorado winery. In 2019, Senate Bill 142 removed hard cider from the definition of “wine” for purposes of the “Colorado Wine Industry Development Act”; and exempted produce used in the production of hard cider from the excise tax deposited in the Colorado Wine Industry Development Fund. In Fiscal Year 2019, all funds raised by these fees amounted to just over \$800,000.

In any fiscal year, the board shall budget from monies in the fund at least one-third toward research and development and at least one-third toward promotion and marketing of the Colorado wine industry, including any administrative costs associated therewith (C.R.S. 35-29.5-105(2)). Any revenue generated by research may be deducted from the amount budgeted for research. In 2017, the Board voted to use \$750,000 as its budget guideline until 2020.

The Way Forward

The Colorado Wine Industry Development Board has developed this strategic plan delivered through four Strategic Areas, to address the identified barriers and ensure the industry maintains a strong strategic focus on the economic development of Colorado wineries over the next 10 year period. Strategic direction is focused on areas outlined in the Colorado Wine Industry Development Act. Per statute, Marketing and Research are key components to this strategic plan, however, the CWIDB has identified Quality, and Economic and Business Development as other strategic areas. The information gathered through this process and subsequent a follow-up planning session has provided CWIDB with relevant and recent information and has identified key opportunities and challenges to growth for the state's producers. As a state agency, the CWIDB represents 100% of the region's wine, mead, and sake producers. Future growth for the industry will come from emerging producers, improved products, and greater penetration into the state's hospitality and foodservice sectors.

Additionally, as the CWIDB is part of the Colorado Department of Agriculture (CDA), it is important to note that our strategic goals parallel and overlap the [Strategic Priorities of the CDA](#) (see page 5 of this document). The CDA priorities that perhaps align most closely with what the CWIDB has adopted here are:

- Help farmers and ranchers stay in business - and thrive
- Promoting and incentivizing soil, water, and climate stewardship
- Strengthen market opportunities

Of course, all of the CDA's programs and priorities are important to the CWIDB as well.

Marketing

Marketing Vision

The Colorado wine industry must maximize marketing efforts in order to achieve the strategic priority of elevating, developing and energizing the Colorado wine brand allowing individual wineries to achieve economic viability. Additionally, marketing needs to incorporate effective relationships with all industry partners such as wholesalers and retailers to further our marketing efforts.

However, the Colorado wine industry may suffer from awareness issues and no strong image amongst Colorado consumers. Though awareness has remained steady, around 75%, consumers and sellers of wine (distributors, retailers, and restaurants) may still have little knowledge or a misperception of Colorado wines. This is evident by the significant decline in quality perception (39% in 2019 vs 50% in 2017) and continued gap far below the perception of Californian and European wines' quality. This makes it extremely difficult for the wineries to gain distribution with wholesalers, retailers, and restaurants. Most Colorado wine is sold directly to consumers at winery tasting rooms.

Since the individual wineries and industry as a whole is still small in comparison to the more established wineries and industries of California, most wineries have limited sales and thus limited funds and energy to spend on marketing. As a result, the CWIDB may be best equipped to market through an industry-wide approach, promoting Colorado wines as distinct from those produced in other regions.

Market Situation Analyses

The market situation for the Colorado Wine industry is complex and always evolving. Colorado wineries enjoy beautiful and diverse landscapes, a well-branded tourism industry, and significant historical, natural, and cultural assets. The Grand Valley, as a region, and many individual wineries have been recognized nationally and locally. The Colorado wine industry continues to exhibit flexibility, perhaps due to its relative youth compared to other wine regions, that may continue to provide significant opportunities for gains in the marketplace. However, the discovery of phylloxera in multiple vineyards in both the Grand Valley AVA and the West Elks AVAs will be a challenge moving forward as wineries and the industry as a whole strive to create a recognizable brand identity. Finally, perhaps the biggest challenge for Colorado wine in the market is inconsistent experiences for the consumer. For a more complete SWOT analysis of the market situation please see [Appendix A](#).

One of the focuses of the CWIDB has been to convey a reputation of high-quality wine to the local Colorado consumers as well as to out-of-state tourists. In the past, CWIDB's major marketing initiatives have involved a brochure, highway signs on state roads by the Colorado Department of Transportation (CDOT), and a website. From time to time, the CWIDB has advertised on television, radio, in print, and via billboards.

The CWIDB has worked hard to create a common message that the entire industry can rally around. However, conflict exists between vintners and growers, between the Front Range and The Western slope producers, between hobbyists and business-minded producers, and at times even between CWIDB and

CAVE. The CWIDB is tasked with promoting all wines produced or finished by a licensed Colorado winery. The CWIDB is the only organization in the state that's purpose is to develop new markets through promotion. CWIDB must work with all producers and industry partners, such as CAVE, but CWIDB must take the lead on all marketing efforts of Colorado wine. Each individual winery also must promote and market them as best they can. Working with CAVE is important, but CAVE's purpose is to lobby for and educate the industry.

Marketing Goals

Strategic Priorities:

- Elevate, develop and energize the Colorado wine brand
- Promote effective relationships with beverage wholesalers, retailers, restaurants, and other complementary industry partners

Our ultimate, and admittedly audacious goal is to see an increase in market share to 15% by dollar value by 2025. CWIDB is in an unusual marketing position in that we cannot dictate the discontinuation of a product, the rebranding of an individual winery, or the price points chosen by growers and winemakers. Yet, as the overall face of the state's wine industry, CWIDB has unique influence. The CWIDB has identified three market segments we believe we should focus on: 1) the individual Colorado wine drinker, 2) the Colorado tourist, and 3) the Colorado restaurateur. To achieve the four marketing goals identified below and to fulfill the statutory requirement to promote Colorado wine, the CWIDB shall continue to implement a fully integrated marketing program focused on building a strong brand message for Colorado wines through advertising, public relations and promotions to deliver a clear and positive message on the quality of Colorado wines.

Our marketing mission is to support Colorado wineries in selling more wine. This can be accomplished by dramatically increasing Coloradan's awareness of the quality and diversity of Colorado wines available throughout the state, and by showcasing high-quality wine products and wine education to our consumers and industry partners. Both advertising and marketing, as well as public relations will play an important role in communicating our messages to wine consumers. We have identified four long-term strategies to focus our marketing efforts.

Strategy 1: to increase consumer engagement and participation with Colorado wine

Strategy 2: to increase consumer perception of quality and credibility of industry

Strategy 3: to demonstrate demand for CO wines that will incentivize retailers and wholesalers to support local wines.

Strategy 4 : to coordinate marketing efforts and opportunities with individual wineries to amplify all efforts.

Strategy 5: to improve the consumer experience of Colorado wine.

Specific tactics to facilitate these strategies will be detailed in the Annual Operational Plan.

Research

Research Vision

The CWIDB seeks to foster and encourage a prosperous Colorado grape and wine community by investing in research and development, disseminating knowledge, encouraging the adoption of new techniques or cultivars. We strive to use evidence-based and data-driven decision-making to guide our research investment, which follows the strategic priorities of fostering greater cooperation, communication and participation within the wine industry and provides appropriate information to Colorado vineyards and wineries so that they may achieve economic viability.

The CWIDB's research programs include conducting reviews of existing research to identify opportunities for future research, thoroughly assessing research proposals, and commissioning research to address specific knowledge gaps or requirements. The research and development program should encourage the increased planting in this state of desirable fruit varieties in places determined to provide the best conditions for producing quality wines.

Colorado viticulture needs to rely on varieties that not only do well in our diverse micro-climates but also create wines with character. As much as wineries rely on grape varieties with character, growers and winemakers also need varieties and vineyard practices that produce reliable yields even in the face of Colorado's sometimes difficult climate. Wineries and growers need a stable source of produce that supports the agricultural industry's sustainable future. Finding the cultivars best suited for each location will be paramount to maintaining consistent yields.

Continued research with CSU Agriculture Experiment Stations and efficient dissemination of information gathered will speed up the development of a struggling viticulture industry. Discovering which *Vitis vinifera* cultivars should be attempted as well as what Cold Hardy Cultivars produce wines with character in Colorado's diverse climate. Enology research provides a picture of how this blend of cultivars could be utilized. The industry desires more accountability financially from our research partners as this contributes to the development of their academic offerings.

CWIDB needs to regularly evaluate that the money put into research is actually helping the industry to grow in a positive direction. This can be done with industry surveys and general audits of current programs.

Research Situation Analysis

Currently, there are several research projects underway at the CSU Western Colorado Research Center, centered at the Orchard Mesa facility in Grand Junction, looking at various different cultivars' ability to survive in the areas of interest around Colorado. These areas are identified for reasons such as climate, water availability, soil type, and access to consumer base. CSU currently has a cooperative long-term multi-state project underway to identify possibilities for the future of our industry while comparing results with other states' research of the same cultivars.

CSU research has produced a general picture of the success of viticulture based on production levels for the Grand Valley AVA. This picture has confirmed what many suspected that we have a long uphill road to climb. Eliminating the basic challenges of irrigation practices and pest control, yields have not reached the levels desirable by the industry to support the rapid growth of new wineries in the industry. Early fall hard freezes, very cold winter temperatures, and late spring frost have plagued Colorado vineyards in previous years. Now while this is a natural part of farming, it has been particularly pronounced in recent years. Viticulture research has started to form a picture of what *Vitis vinifera* have performed to levels that might be acceptable showing the potential for establishing an identity. There are also data suggesting there are Cold Hardy Cultivars that can produce very good wine in our unique conditions year over year.

Focus on small-lot production of wines for review and study have shown that there are varieties that quickly have shown the ability to make very good wine. Sensory training and analysis has contributed to an increase in wine quality amongst winemakers that have taken advantage of the training.

Since 2015, the discovery of phylloxera in vineyards in the Grand Valley AVA, Delta County and the Front Range adds many new questions for research to address with some urgency. CSU has increased the number of rootstock trials and has undertaken experiments with other vineyard management techniques to mitigate the potential damage from phylloxera.

Research Goals

Strategic Priorities:

- Foster greater cooperation, communication and participation within the wine industry
- Provide appropriate information to Colorado vineyards and wineries so that they may achieve economic viability

Our research goal is to build Colorado's competitiveness by developing and adopting new and better ways of growing grapes and making wines in a high-altitude, semi-arid environment. Increasing competitiveness is about using all of our resources to create and embrace new opportunities as well as reducing the cost of production. Research should strive to increase competitiveness in the vineyard and winery by focusing on improved resource management and sustainability, delivering access to key information and data, and managing the challenges of short-term weather and long-term climate change. We will invest in new or enhanced technologies to improve vineyard and winery efficiency and performance, especially with the presence of phylloxera in Colorado, and we will continue to work to enhance market access in new and existing markets with new and existing products. We have identified seven long-term strategies to focus our research efforts.

Strategy 1: to identify the right grapes for the right places

Strategy 2: to identify best practices for managing phylloxera

Strategy 3: to maintain vigilance of potential and future pests

Strategy 4: to provide tools to enable growers/wineries to prosper in a high desert environment

Strategy 5: to effectively communicate the results and applications of research to the industry

Strategy 6: to support the planting of new varieties and techniques with Enology research

Strategy 7: to conduct consumer research to identify new opportunities to expand the Colorado wine industry

Specific research tactics to facilitate will be detailed in the Annual Operational Plan.

Quality

Quality Vision

Quality perception of Colorado wine continues to be lower than other wines from other regions. This is concerning and in direct opposition to our overall vision of being recognized globally as a premier wine experience. In the 2019 consumer survey, Colorado wines' quality perceptions (Very high quality and somewhat above average quality) are trending significantly lower since 2017 (39% vs 50%). At the same time, quality impressions significantly improved for European wines (89% in 2019) and Californian wines held steady (80%). This is a large gap in the perception of Colorado wine quality versus European or California wine quality.

In order to elevate, develop, and energize the Colorado wine brand, this trend in consumer perception of quality must be changed. The CWIDB shall reach out to industry groups, such as wineries, vineyards, and work together to promote sound grape growing and improve winemaking quality practices in order to inspire the finest wines. The quality vision shall strive to raise the quality bar to enhance the Colorado wine experience and demonstrate the unique wine quality available to consumers. Quality efforts span all of the strategic goals adopted by the CWIDB.

Quality Situation Analyses

With our ultimate vision of having Colorado recognized globally as a premier wine experience, wine quality is at the center of making that a reality. Several wineries have seen small amounts of positive press in the national wine media, which the industry can potentially leverage for the good of all. Both the Grand Valley and West Elks AVAs have been recognized nationally and locally as up-and-coming wine-producing regions. However, as mentioned in the Marketing section, inconsistent experiences for consumers continues to be a challenge due to both vintage consistency and quality consistency.

Quality Goals

Strategic Priorities:

- Elevate, develop and energize the Colorado wine brand
- Foster greater cooperation, communication and participation within the wine industry
- Provide appropriate information to Colorado vineyards and wineries so that they may achieve economic viability
- Promote effective relationships with beverage wholesalers, retailers, restaurants, and other complementary industry partners

Our quality goal is to see Colorado vineyards and wineries produce high-quality produce, wine, and overall consumer experience. This can be accomplished by increasing Colorado winemakers' awareness of grape and wine quality and the diversity available to consumers. We have identified three long-term strategies to focus our quality efforts.

Strategy 1: to use past and present research along with external industry sources to improve the quality of grapes grown and wine produced in Colorado.

Strategy 2: to facilitate collaboration between winemakers and grape-growers in order to improve the quality of grapes produced and sold in Colorado.

Strategy 3: to promote the increasing quality of Colorado wine to the trade and to consumers..

Specific quality tactics to facilitate these strategies will be detailed in the Annual Operational Plan.

Economic and Business Development

Economic and Business Development Vision

Providing appropriate information to Colorado vineyards and wineries so that they may achieve economic viability is one of the Strategic Priorities adopted by the CWIDB. As small as the Colorado wine industry is, economic viability can be very elusive. We cannot easily attain quantities of scale to reduce production costs; labor is scarce and must be shared with other fruit crops and increasingly with hemp, marijuana, and other industries such as construction; and our industry is removed from the economic centers of the California or Washington State wine industries, that could offer economic resources and guidance.

The CWIDB promotes the sale, consumption, and general awareness of Colorado wine through coordinated and collaborative promotional activities. In fact, the Marketing goal of achieving a 15% market share ties in closely with economic development. We attempt to share with the trade, media, and consumers the stories about the unique and diverse grape growing attributes of Colorado and the innovative and creative wines and meads crafted by Colorado licensed wineries and vintner's restaurants.

While the ultimate responsibility of getting Colorado wine into the consumers' glasses in this fiercely competitive wine market lies with each producer, the CWIDB has a role to play in providing education and resources for our wine industry businesses to grow and prosper economically. We as an industry must continually support investing in the pursuit of excellence in viticulture, winemaking, and the business of wine to increase the esteem of the resulting wines.

Economic and Business Development Situation Analysis

The overall climate and regulatory support for the Colorado wine industry are strong. The Colorado Department of Agriculture is advocating for high-value crops such as grapes, and the Colorado Department of Revenue is supportive of the regulatory needs of the industry, as well. Some uncertainty remains from the introduction of wine and full-strength beer sales into some grocery stores and the introduction of large chain stores that began in 2017. This shifted some of the focus of retail sales channels away from independent liquor stores that had always been fairly supportive of local producers. Smaller producers of beverage alcohol, whether wineries or breweries, have more difficulty getting

products into large chain stores that are often dominated by national and private-label brands. There is also uncertainty with temporary regulations and potential legislation regarding alcohol sales in light of the COVID-19 pandemic. The cannabis industry, both marijuana and hemp, is a relatively new competitive industry whose ultimate impact on wine sales remains unknown.

While changes in the overall direction of the nation's economic environment may affect the wine industry and individual wineries, the wine drinking population has remained fairly consistent in its buying habits. The \$0.01 per bottle funding of CWIDB provides revenue for the organization, does not impose an undue burden on retailers or wholesalers, incentivizes the CWIDB to increase market share, and does not discourage buyers from purchasing more wine. The tourism component of the marketing strategy can be implemented in either a downturn or an upturn (i.e., an affordable, easy local trip in a downturn, and a glamorous and unique destination during an upturn), although the COVID-19 pandemic restrictions have made tourism a less dependable market driver.

Expansion, growth, and enhancement of innovations may require additional capital investment beyond what the Colorado wine industry has traditionally attracted.

Generally, there is no social backlash against wine drinking though wine consumption can be perceived as snobbish. The target population likes to try new things and is a very lifestyle driven demographic. As we've seen with movies like *Sideways* and *Somm*, popular culture is a significant influencer. The increase in the "connected" consumer can be leveraged to promote the industry. While somewhat of a debate within the industry itself, there is no social or cultural definition of "what makes a Colorado wine" in the target markets. The target market is still generally not aware of or educated about Colorado wine. The cultural environment in Colorado may be more of a "beer state" or even a "marijuana state."

The science and art of winemaking continue to improve. At a macro-level, the sustainability movement brings together technology, pride in the product, economic viability, and social responsibility. We are not looking to Colorado to provide any industry-wide technological breakthroughs. The assistance provided to local growers and producers by CWIDB's staff continues to improve quality and consistency, which should remain a key component of the overall strategy. The emergence of "virtual tastings" and a reliance on Internet sales through the COVID-19 Stay At Home Orders has opened new opportunities and challenges for wineries struggling to connect with consumers. Adoption and acceptance of new, or just different, technologies will continue to be important for our industry.

Economic and Business Development Goals

Strategic Priorities:

- Provide appropriate information to Colorado vineyards and wineries so that they may achieve economic viability

The overall goal of Economic and Business Development is to see Colorado vineyards and wineries economically viable and sustainable. While the ultimate responsibility of business development lies with each producer, the CWIDB has a role to play in providing education and resources to facilitate the growth and economic prosperity of our wine industry businesses. This parallels the Marketing goal of increasing

the market share of Colorado wine to 15% based on value. We have identified five long-term strategies to focus our quality{Business Development?} efforts:

Strategy 1: to facilitate the financial sustainability and resilience of all Colorado wineries and vineyards through educational opportunities, resources, and external capital investment in wineries and vineyards in order to develop economically sustainable and adaptable businesses.

Strategy 2: to improve access to markets & increased market knowledge.

Strategy 3: to increase professional understanding of the beverage alcohol industry.

Specific economic and business development strategies and tactics to achieve these goals are detailed in the Annual Operational Plan.

Conclusion

The CWIDB must be adaptable and resilient in the face of a competitive global wine industry. As we have seen in 2020, the general environment of how the industry operates can change quite rapidly. At the same time, it is important that we set on a stable course that looks to the long-term viability of our industry. Thus, this strategic plan should be treated as a living document, subject to course corrections along the way.

Reviews of progress against each of the major strategic priorities, along with a reevaluation of the Vision and Mission statements shall occur no less than every five years to assess how effective the current plan has been in meeting the objectives. If it is found that the plan has not successfully met many or most of its objectives, we may need to explore more far-reaching options.

Through the successful implementation of this plan, and the annual operational plan, the CWIDB intends to allow our Colorado winegrowers to build their reputations, customer bases and achieve economic viability. The end result of this Strategic Plan is for the entire industry (not necessarily individual wineries) to be recognized nationally as a premier wine-producing region.

Our Annual Operational Plan will detail our planned activities and expenditures, intended outcomes, and measures of success of our Strategic Plan. Each year, we will reevaluate and revise the Annual Operational Plan, in conjunction with the annual budget, as necessary to further the strategic objectives outlined in the Strategic Plan.