



Commonwealth of Virginia
Office of Governor Bob McDonnell

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**Governor McDonnell Announces Sales of
Virginia Wine Reach New All-Time High**
~Exports of Virginia Wines More than Triple~

RICHMOND – Governor Bob McDonnell today announced that sales of Virginia wine reached an all-time high in fiscal year 2012, increasing by just over 1.6% from fiscal year 2011. Virginia wineries sold almost 485,000 cases of wine in FY 2012 versus a little more than 477,000, the previous record high, in FY 2011. Sales of Virginia wines have averaged just over 8 percent growth per year over the last three fiscal years. In addition, the Virginia Wine Marketing Office reports that Virginia wineries sold more wine out of state, directly or through a wholesale distributor, and internationally in FY12. Sales outside of Virginia, domestic and international, increased by 39% from FY11 to FY12.

Export sales of Virginia wines grew by more than 300%, increasing from about 700 cases in FY11 to more than 3,300 in FY12. A significant portion of these international sales were driven by new sales to China and the United Kingdom, two areas where the McDonnell

administration has focused its global marketing and export growth strategic plans. The first commercial sales of Virginia wines to mainland China were completed in FY12, while the sale of Virginia wines to London, the world's largest wine import market, continued to grow during the last fiscal year.

"I'm incredibly pleased to see that Virginia has set a new all-time high in wine sales. We faced some real weather obstacles last year, but that didn't stop Virginia's wine industry from continuing to grow and expand. More and more individuals continue to buy Virginia wine, and more and more new jobs continue to be created because of that." said Governor McDonnell. "This growth is a testament to our grape growers and winemakers, who are producing world-class wines, which I been pleased to help promoted here and around the world. More sales provide more economic development and job creation opportunities, especially for the vineyards, wineries, and the many businesses supporting them, like restaurants and bed-and-breakfast establishments, all across the Commonwealth."

According to figures from the Department of Alcohol Beverage Control, total sales of Virginia wine amounted to more than \$1.7 million in wine liter tax collections during the fiscal year ending June 30, 2012. The Virginia wine liter tax is applied at a rate of \$3.60 per case of wine. This is the first fiscal year that the Virginia Wine Marketing Office is capturing Virginia wine sales outside of Virginia. Sales figures for both fiscal years 2011 and 2012 now reflect all sales of Virginia wines where they previously collected only sales directly related to wine liter collections.

Wine sales to distributors outside of Virginia increased by more than 24% in FY12. A total of 14,033 cases of Virginia wine were sold in states other than Virginia. Virginia wines are being sold in numerous states including Maryland, North Carolina, South Carolina, New York, Illinois, Pennsylvania and Florida as well as Washington, D.C., one of the Virginia Wine Marketing Office's top strategic growth regions.

"Virginia wines continue to be rising stars in the global wine industry," said Virginia Secretary of Agriculture and Forestry Todd Haymore. "From being named one of the top ten wine destinations in the world by Wine Enthusiast to having our wines served in India, Israel, Sweden, Montreal, London, San Francisco, and New York City, the last fiscal year saw a lot of new recognition and opportunities for the Virginia wine industry. Working in close partnership with our wineries, our vineyards, and our colleagues in Virginia Wine Marketing Office and Virginia Tourism Corporation, the Governor and I expect to see more growth opportunities in the future, both here and abroad."

Domestic and international promotion of the Virginia wine industry is one of Governor McDonnell's top economic development and jobs creation initiatives. Since 2010, the McDonnell administration worked with the General Assembly to establish a reimbursable tax credit program for the establishment or expansion of vineyards and wineries and to almost triple the amount of funds placed in the Virginia Wine Promotion Fund for research, education, and marketing programs. Governor McDonnell also promotes the sale of Virginia wines in Virginia, around the country, and during trade and marketing missions to Europe, Canada, Israel, India,

and Asia. In addition, First Lady Maureen McDonnell makes the promotion of Virginia wines and winery tourism a component of the First Lady's Initiative Team Effort (FLITE).

Virginia currently ranks fifth in the number of wineries in the nation with more than 230. Virginia is also the nation's fifth largest wine grape producer. According to a 2012 economic impact study, the Virginia wine industry employs more than 4,700 individuals and contributes almost \$750 million to the Virginia economy on an annual basis. In addition, more than 1.6 million tourists visited Virginia wineries in 2011.

For more information about the Virginia wine industry, please visit the Virginia Wine Marketing Office's website at www.virginiawine.org or call 804-344-8200.

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