

Sunset Public Hearing Questions for  
**Tennessee Wine and Grape Board**  
 Created by Section 57-3-1101, *Tennessee Code Annotated*  
 (Sunset Termination June 2021)

*Enabling Statute, Purpose, and Rules and Regulations*

1. Provide a brief introduction to the board, including information about its purpose, statutory duties, staff, and administrative attachment.

The Tennessee Wine and Grape Board was established by legislation and signed into law by Governor Bill Lee in May of 2019. The board was established to support the growth of the wine industry and was allocated funds to be used to:

- 1) Increase the number of wineries in the state
- 2) Improve the quality of wine produced by wineries
- 3) Promote the wine industry and viticulture
- 4) Implement and maintain a wholesaler rebate program for Tennessee wineries

The board is comprised of seven members and includes representatives from the Department of Agriculture and the Department of Tourist Development as well as five other members appointed by the Governor. The board is attached to the Department of Agriculture for administrative purposes. The board is staffed by two TDA employees, Kyle Hensley and Rachel Sullivan.

2. Has the board promulgated rules and regulations? If yes, please cite the reference.

No

*Board Organization, Oversight*

3. Provide a list of current members of the board. For each member, please indicate who appointed the member, statutory member representation, the beginning and end of the member's term, and whether the member is serving a consecutive term.

Name	Appointed by	Representation	Begin Date	End Date	Consecutive Term?
Kix Brooks	Governor Lee	Production, marketing, sales of wine	7/1/2019	6/30/2023	No
Cary Cox	Governor Lee	Tennessee grape producer	7/1/2019	6/30/2022	No
Tony Johnston	Governor Lee	MTSU professor w/viticulture background	7/1/2019	6/30/2022	No
Rick Riddle	Governor Lee	Production, marketing, sales of wine	7/1/2019	6/30/2021	No
Bill Sanderson	Governor Lee	Tennessee wine producer	7/1/2019	6/30/2023	No
Melanie Beauchamp	Commissioner of Tourist Development	Tennessee Department of Tourist Development			No
Keith Harrison	Commissioner of Agriculture	Tennessee Department of Agriculture			No

4. Are there any vacancies on the board? If so, please indicate how long the position has been vacant and explain steps that have been taken to fill any vacancies.

No

5. How many times has the board met since the law creating it took effect in July 2019? How many members were present at each meeting? Please note meetings where the board did not have a quorum.

Four. First meeting (February 10, 2020): 6 board members in attendance; Second meeting (March 18, 2020): 6 board members in attendance; Third meeting (June 3, 2020): 6 board members in attendance; Fourth meeting (July 8, 2020): 7 board members in attendance.

6. Describe the relationship between the board and the Department of Agriculture. What functions do state employees perform and what functions do board employees perform?

The board has an excellent relationship with the Department of Agriculture. Melanie Beauchamp, Assistant Commissioner for the Department of Tourist Development and Keith Harrison, Assistant Commissioner for Business Development at the Department of Agriculture both serve on the board. Kyle Hensley and Rachel Sullivan, Department of Agriculture, Business Development employees, staff the board.

7. What entities oversee the board's activities? Provide links to any oversight reports and recommendations.

The Governor's Office, The Tennessee General Assembly, and the Commissioners of the Department of Agriculture and the Department of Tourism Development oversee the board's activities. To date, there have been no oversight reports or recommendations.

#### *Financial Information*

8. What were the board's revenues and expenditures for Fiscal Year 2020? How does the board fund its promotional activities?

The board received a \$300,000 appropriation from the Tennessee General Assembly. There have been no promotional activities to date.

9. Does the Department of Agriculture have a process to review the board's expenditures to ensure that the board is complying with statutory requirements for the use of the funds? Does the department exercise any oversight on how money is spent?

Yes. All state procurement procedures are adhered to and all purchases are in conjunction with the Department of Agriculture and the Department of Finance and Administration.

#### *Sunshine Law, Public Meetings, and Conflict of Interest Policies*

10. Is the board subject to Sunshine law requirements (Section 8-44-101 et seq., *Tennessee Code Annotated*) for public notice of meetings, prompt and full recording of minutes, and public access to minutes? If so, what procedures does the board have for informing the public of meetings and making minutes available to the public?

Yes. The Assistant Commissioner for Business Development at the Department of Agriculture coordinates each meeting notice with the department's Public Affairs office. Rachel Sullivan with Business Development takes full notes of the minutes. A website has been created to post meeting minutes.

11. Does the board allow for public comment at meetings? Is prior notice required for public comment to be heard? If public comment is not allowed, how does the board obtain feedback from the public and cattle industry members?

Yes, the board allows for public comment at its meetings. No.

12. Does the board have a conflict of interest policy?

No. However, we plan to implement its use this year.

13. Does the board have a website or information on the Department of Agriculture's website? If so, please provide the web address. What kind of public information is available on the website?

Yes. <https://www.tn.gov/agriculture/department/business-development-division/wg-board.html>. The purpose of the board, the legislation that created the board, industry awards, and board contacts.

*Reports, Major Accomplishments, and Proposed Legislative Changes*

14. Has the board issued an annual report on the wine industry and viticulture in Tennessee and submitted it Governor, the Commissioner of Finance and Administration, the chair of the agriculture and natural resources committee of the house of representatives, and the chair of the energy, agriculture and natural resources committee of the senate?

Board has approved its annual report. The report is to be released this fall. Attached is a copy.

15. How has the board fulfilled its statutory duties to increase the number of wineries in the state, improve the quality of wine produced in the state, promote the wine industry and viticulture in the state and implement a wholesale rebate program for Tennessee wineries.

Board has been focused on improving the quality of wine. The board is working very diligently towards accomplishing the other duties.

16. Please describe any items related to the board that require legislative attention and your proposed legislative changes.

None.

17. Should the board be continued? To what extent and in what ways would the absence of the authority affect the public health, safety, or welfare of the citizens of Tennessee?

Yes. The board's work is just beginning. The first meeting was held in March 2020.

18. Please identify the appropriate agency representative or representatives possessing substantial knowledge and understanding of the responses provided to the sunset review questions.

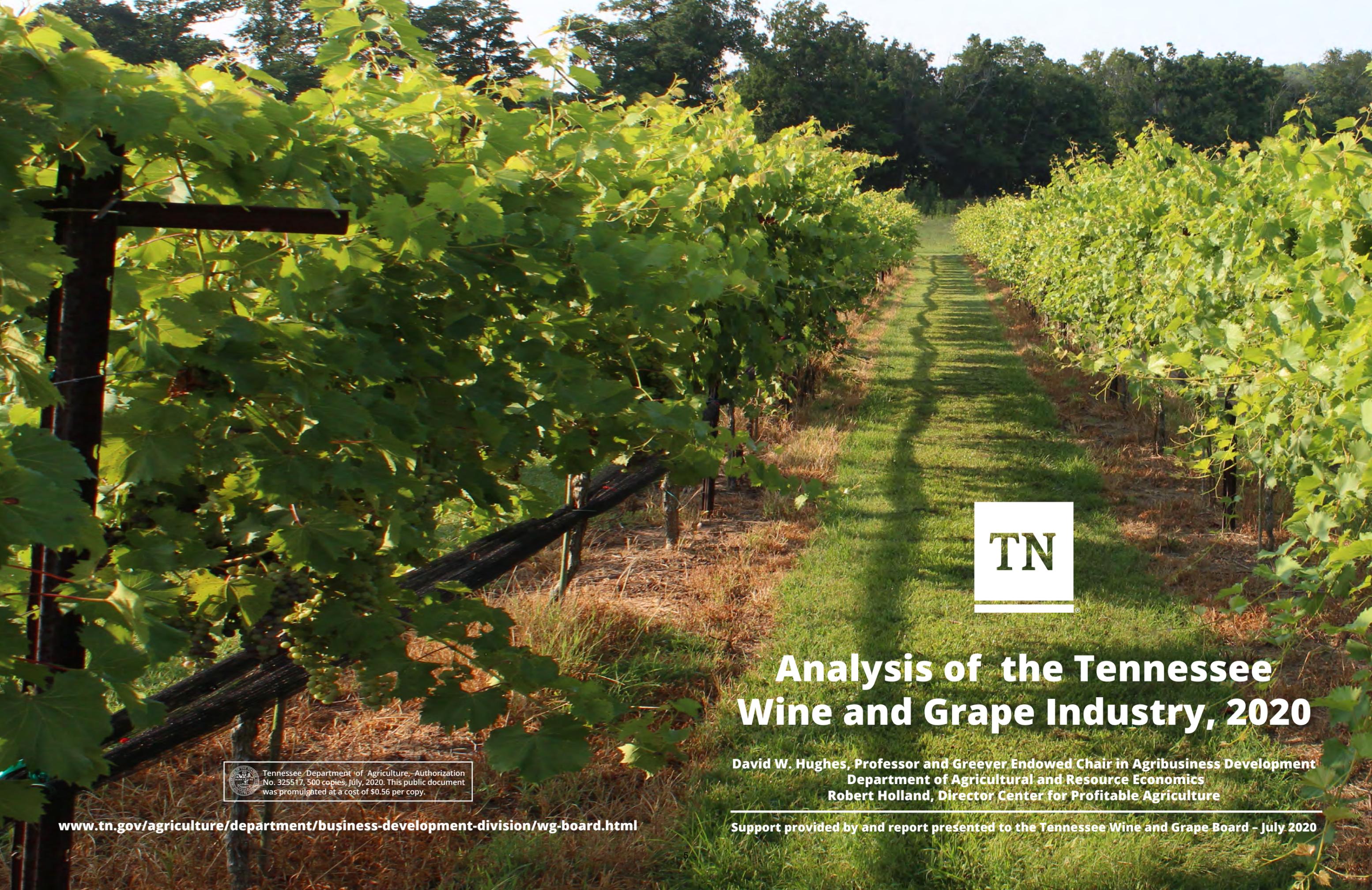
Keith Harrison, Assistant Commissioner for Business Development, Department of Agriculture

19. Please identify the appropriate agency representative or representatives who will respond to the questions at the scheduled sunset hearing.

Bill Sanderson, Board Chair  
Rick Riddle, Board Vice Chair  
Keith Harrison, Assistant Commissioner for Business Development, Department of  
Agriculture

20. Please provide the office address, telephone number, and email address of the agency representative or representatives who will respond to the questions at the scheduled sunset hearing.

Keith Harrison, Assistant Commissioner for Business Development  
Tennessee Department of Agriculture  
PO Box 40627  
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[Keith.Harrison@tn.gov](mailto:Keith.Harrison@tn.gov)  
615-837-5152



# Analysis of the Tennessee Wine and Grape Industry, 2020

**David W. Hughes, Professor and Greever Endowed Chair in Agribusiness Development  
Department of Agricultural and Resource Economics  
Robert Holland, Director Center for Profitable Agriculture**

 Tennessee Department of Agriculture. Authorization No. 325517, 500 copies, July, 2020. This public document was promulgated at a cost of \$0.56 per copy.

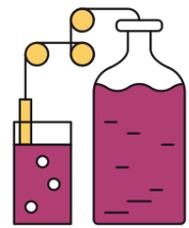
# Summary

Provided here is a summary of the Tennessee Wine and Grape Industry. This document is intended to serve as the annual report for the Tennessee Wine and Grape Board for 2020. A more complete discussion can be found in Analysis of Tennessee Wine and Grape Industry Trends by David Hughes, 2020.

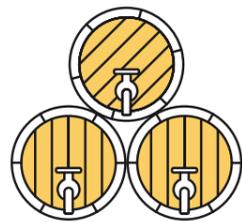
Key data regarding the Tennessee wine and grape industry currently are as follows:



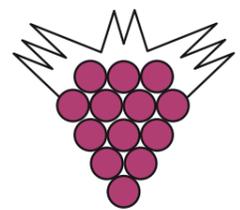
**648** Estimated direct employment



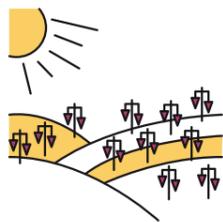
**68** Estimated number of wineries



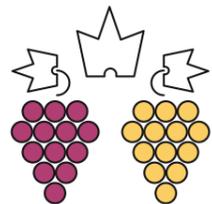
**44** Estimated wineries with employees



**462** Estimated grape farms (2017)



**959** Estimated grape acreage (2017)



**747** Estimated bearing acres (2017)

# Discussion

## Both Tennessee Wineries and Grape Production have experienced substantial growth

Growth in both the Tennessee wineries and grape production sectors has been substantial in recent years. For example, estimated total employment at Tennessee wineries increased from 246 in 2013 to 648 in 2019. In 2017, 959 acres were planted in grapes in the state, almost twice the level in 2007.

## Growth in Tennessee Wineries and Grapes is starting to lag behind growth in key neighboring states

Growth in both sectors is starting to slow and lag behind the growth of key neighboring states. For example, Georgia and Tennessee had the same number of wineries in 2014 but by 2020 the number in Georgia had grown well beyond the level in Tennessee. Trend line analysis predicts that Tennessee will add three wineries in 2021 versus 12-13 to be added in Virginia, 12 in Missouri, 10 in North Carolina, 8-9 in Georgia and 5 in Kentucky. Total grape acres in Tennessee increased by 56% from 2007 to 2012, but only increased 6% from 2012 to 2017.

## COVID-19 Has Important Implications

Nationally, COVID-19 could cost the wine industry \$6 billion with wineries selling under 5,000 cases a year being the hardest hit. Because Tennessee wineries tend to be smaller and also tend to depend on direct sales especially to tourists, the state industry may be especially impacted.

## Policy Considerations

Part of the reason for the slowing growth in Tennessee maybe the relative lack of state government support compared to other states. Enhanced support from state government, such as the \$1.9 million received by the Virginia industry in fiscal year 2016-2017, could boost industry growth and enhance the industry's overall contribution to the state economy. Such funds and other forms of nonfinancial support would be especially useful in marketing the Tennessee industry and in research and training aimed at improving the quality of Tennessee wines and grapes.

## References

Hughes, David. 2020. "Analysis of Tennessee Wine and Grape Industry Trends." University of Tennessee Extension Bulletin W Series. In Review.