

# **AGRICULTURE COMMODITY BOARD**

## **ANNUAL REPORT**

for the Virginia Spirits Board

Fiscal Year: 2024-2025

August 5, 2025

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# The Virginia Spirits Board

## **I. Narrative**

The Virginia Spirits Board (Board) and the Virginia Spirits Promotion Fund (Fund) were established by the enactment of Chapters 85 and 410 of the 2020 Acts of Assembly. The Board and Fund were created to provide resources for promotion of the Virginia spirits industry by a number of means approved by an administrative board appointed by the Governor. The purpose of the Board is to foster the development of the Virginia spirits industry by expanding spirits research, increasing education, and promoting the production of ingredients necessary for alcohol distillation and the production of spirits in the Commonwealth.

Legislation was passed during the 2022 Session of the General Assembly establishing a revenue source for the Fund. Chapters 84 and 85 of the 2022 Acts of Assembly requires that 20 percent of the 20 percent tax levied on alcoholic beverages sold by the Board of Directors of the Virginia Alcoholic Beverage Control Authority (VA ABC) that is attributable to the sale of spirits produced by a distiller licensee be deposited in the Fund.

The Board consists of 11 members as follows: the Commissioner of Agriculture and Consumer Services (Commissioner) and the Chief Executive Officer of the VA ABC, both of whom shall serve ex officio without voting privileges, or their designees; and nine voting non-legislative citizen members who are appointed by the Governor, three of whom must be coopers or maltsters and six of whom must be owners or operators of a distillery in the Commonwealth.

The Board is required to meet at least four times each year. The meetings of the Board are held at the call of the chairman or whenever the majority of the members so request. The Program Manager manages and conducts the activities required for the Board to carry out its mission and provides the Board with administrative support.

Following the enactment of Chapters 84 and 85, the Board began working with the VDACS Office of Procurement to draft a Statement of Needs document for the promotion of the spirits industry to begin the Request for Proposals (RFP) process. An RFP for marketing efforts was released on November 2, 2022, and the Virginia Spirits Board Marketing Office was created on February 3, 2023. The Board approved the second renewal option on June 9, 2025, for a contract period of FY25-26.

The Board announced the 2025-2026 Spirits Board Research & Education Grant Program and approved six research and education grants for FY25-26, totaling \$338,626.54, in April 2025.

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Scott Harris, Chairman

## II. Financial Summary

### Virginia Spirits Promotion Fund

Cash balance (June 30, 2024)	=	\$1,329,355.29
General Fund Deposit	+	\$1,241,193.00
Interest Earned	+	\$82,996.80
Other Income	+	\$1,050.00
Actual Expenditures	-	\$962,805.96
Cash Balance (June 30, 2025)	=	\$1,691,789.13

**VIRGINIA SPIRITS BOARD PROMOTION FUND**  
**FINANCIAL STATEMENT July 1, 2024 - July 31, 2025**

<b>REVENUE</b>			
Balance (July 1, 2025)	\$1,329,355.29		
General Fund Deposit	\$1,241,193.00		
Interest Earned	\$82,996.80		
Other Revenue	\$1,050.00		
<b>Total Balance &amp; Receipts</b>			<b>\$2,654,595.09</b>
<b>EXPENSES</b>			
Administrative			
1. Legal FY24-25	\$498.13		
2. Dept. of General Services FY24-25	\$500.00		
3. Board member mileage	\$2,187.71		
4. Program Manager travel	\$1,788.38		
<b>Total Administrative Expenses</b>		<b>\$4,974.22</b>	
Paid on Approved Projects			
1. VSBMO	\$707,761.30		
2. AITC 24-25	\$1,500.00		
3. Campbell Field Farm 24-6	\$26,993.70		
4. VT Santantonio (461699) FY24	\$71,893.95		
5. VT Santantonio (469108) FY25	\$43,231.82		
6. SPIRITS Museum 25-6	\$32,391.26		
7. Reservoir	\$56,224.09		
8. Common Grain Alliance	\$14,835.62		
9. Garden Grove (Jensen Project)	\$3,000.00		
<b>TOTAL PAID ON APPROVED PROJECTS</b>		<b>\$957,831.74</b>	
<b>TOTAL EXPENDITURES</b>			<b>\$962,805.96</b>
<b>CASH BALANCE</b>			<b>\$1,691,789.13</b>

**VIRGINIA SPIRITS BOARD PROMOTION FUND**  
**FINANCIAL STATEMENT July 1, 2024 - July 31, 2025**

<b>OUTSTANDING OBLIGATIONS TO BE PAID:</b>			
<b>Amounts Due on Projects</b>			
1. VSBMO Balance Remaining	\$185,691.81		
2. Garden Grove/Jensen 24-5	\$40,817.66		
3. VT (O'Keefe) 24-3	\$14,245.00		
4. Reservoir Distillery 25-2	\$40,275.91		
5. VT Santantonio (469108) FY24-25	\$26,363.18		
6. SPIRITS Museum 25-6	\$14,828.85		
7. Common Grain Alliance 25-5	\$15,190.38		
8. PM/Board Travel est. 24-25	\$1,000.00		
9. Program Manager Travel est. 25-26	\$2,000.00		
10. Board Member Mileage est. 25-26	\$5,000.00		
11. Misc. Fees 25-26 est.	\$1,000.00		
12. AITC 25-26	\$1,500.00		
13. VT Santantonio 25-26	\$71,635.00		
14. VDA 25-26	\$100,000.00		
15. CGA 25-26	\$35,004.00		
16. SPIRITS Museum 25-26	\$33,987.54		
17. Reservoir 25-26	\$96,500.00		
18. VSBMO 25-26	\$805,000.00		
<b>TOTAL DUE ON APPROVED PROJECTS</b>	<b>\$1,490,039.33</b>		
<b>BALANCE INCLUDING RESERVE</b>			<b>\$201,749.80</b>
<b>UNOBLIGATED BALANCE</b>			<b>\$101,749.80</b>
<i>*\$100,000 classified for reserve</i>			

### III. 2025-2026 Projects and Funding

#### Virginia Spirits Promotion Fund

<u>Funded Project Name</u>	<u>Amount Paid</u>	<u>Funded</u>
The Hodges Partnership - Virginia Spirits Board Marketing Office	\$0.00	\$805,000.00
2026 Virginia Agriculture in the Classroom	\$0.00	\$1,500.00
2026 Developing low-GN and GN-zero malt barley varieties for the Eastern United States	\$0.00	\$71,635.00
2026 Storytelling Through a Virtual Timeline and Relocating to a New Partner Distillery	\$0.00	\$33,987.54
2026 Strengthening Virginia's Spirits Industry Through Regional Grain Supply Chain Development	\$0.00	\$35,004.00
2026 The Virginia Heritage Grain Study: Analyzing Flavors of History	\$0.00	\$96,500.00
2026 Virginia Distillers Association	\$0.00	\$100,000.00
<b>TOTAL Funded Projects</b>	<b>\$1,143,626.54</b>	

## **IV. Board Meeting Summary**

**Date:**           **October 7, 2024**

Time:            1:00PM

Location:       Virginia Spirits Board Marketing Office, Richmond, VA

Members Present: Kelly Gordon, Vicki Haneberg, Scott Harris, Tom Murray, Andrew Yancey, Joseph Guthrie, Dale Farino

Members Absent: Joshua Chandler, Matthew Harris, Tim Nichols

Board Members Participating Virtually (per subsections B and D of § 2.2-3708.3): Jeff Bloem

**Date:**           **December 9, 2024**

Time:            10:00AM

Location:       Virginia Spirits Board Marketing Office, Richmond, VA

Members Present: Kelly Gordon, Vicki Haneberg, Matthew Harris, Andrew Yancey, Joseph Guthrie, Dale Farino

Members Absent: Tim Nichols

Board Members Participating Virtually (per subsections B and D of § 2.2-3708.3): Jeff Bloem, Joshua Chandler, Scott Harris, Tom Murray

**Date:**           **January 27, 2025**

Time:            9:00AM

Location:       Virtual (per subsections B and D of § 2.2-3708.3)

Members Present: Jeff Bloem, Joshua Chandler, Kelly Gordon, Vicki Haneberg, Scott Harris, Tom Murray, Tim Nichols, Joseph Guthrie

Members Absent: Matthew Harris, Andrew Yancey, Dale Farino

**Date:** April 7, 2025

**Time:** 12:00PM

**Location:** Virginia Spirits Board Marketing Office, Richmond, VA

**Members Present:** Jeff Bloem, Joshua Chandler, Kelly Gordon, Vicki Haneberg, Matthew Harris, Scott Harris, Tom Murray, Andrew Yancey, Dale Farino

**Members Absent:** Joseph Guthrie

**Board Members Participating Virtually (per subsections B and D of § 2.2-3708.3):** Tim Nichols