

ORIGINAL

PENNSYLVANIA MALT AND BREWED BEVERAGE INDUSTRY PROMOTION BOARD
Minutes of the October 30, 2019 Board Meeting
PA Department of Agriculture, Room 309
2301 North Cameron Street
Harrisburg, Pennsylvania

Public notice of the October 30, 2019, Pennsylvania Malt and Brewed Beverage Industry Promotion Board Meeting was given on October 10, 2019 as stipulated by the Sunshine Law.

CALL TO ORDER/REVIEW PROCEDURES

William Brock, Chairman, called the meeting to order at 10:11 a.m. Board members in attendance included Christian Lampe, Sean Casey, Frank Pistella, and Jeffrey Reeder.

Michele Meloy Burchfield was not present at the commencement of the meeting.

Also in attendance was Patrick Andrews, Chief, Agriculture Marketing Development Division, Department of Agriculture; Laura England, Bureau Director, Department of Agriculture; John Howard, Esquire, Acting Chief Counsel, Department of Agriculture; Char Riley, Administrative Assistant, Commodities and Marketing, Department of Agriculture; Melinda John, Director of Purchasing and Contracting Administration, PLCB; Elizabeth Brassell, Director of Communications Office, PLCB; and Kelly O'Donnell, Policy Director, Department of Agriculture.

APPROVAL OF MINUTES

RESOLUTION NO. 2019.07-APPROVAL OF MINUTES

Motion by: Frank Pistella

Second by: Christian Lampe

Passed: Unanimously.

To approve the Minutes of the August 27, 2019 meeting.

NEW RFP & MEETING TIMELINES

Patrick Andrews, Chief, Agriculture marketing Development Division, referred members to information regarding the matter. He noted that he and Kelly O'Donnell, Policy Director, Department of Agriculture, have "ironed out" the process for approval by the Board. Mr. Andrews reviewed the changes to contract language, one-category purchase orders, and allowance of one five-month extension.

Mr. Andrews proposed that work on drafts commence in November using the existing RFP. He stated PLCB requested that a blank contract be attached to the RFP so a grantee can view the contract ahead of time. Ms. Riley noted that PLCB was not negotiating the wording in the contract. She would provide a copy of a blank contract for review by Board members.

Mr. Andrews reviewed the process, stating that RFPs would be reviewed through November, reviewed again in January, published in the Pennsylvania Bulletin at the end of January, beginning of February, closed around mid-March, and reviewed in April. Then letters would then be sent out, and full proposals would come in in early June. A meeting would be held in early July to review the full proposals followed by rejection/acceptance letters being sent.

All progress and final reports would be housed and filed by year at the SharePoint site. Ms. Riley noted that a spreadsheet by year and category would be kept on the SharePoint site regarding first-round information. There was discussion regarding creation of a website for easy access.

Michele Meloy Burchfield entered the meeting at 10:28 a.m.

BEER PRESENTATIONS

Jack Cohen, Butler County Tourism, noted there are 10 different craft brew houses within the community that are very successful and work together very well making special beers for use at special events. He discussed the use of a beer box and an old 1967 Jeep Kaiser truck that would be used for hauling. Mr. Cohen noted the objectives of the organization and answered questions from Board members.

Amber Epps and Michael Potter, Black Brew Culture, Pittsburgh, Pennsylvania. Mr. Potter provided a brief history of his organization. He cofounded a beer festival called Fresh Fest Beer, Best in Pittsburgh, in 2018, followed by a second festival known as Fresh Fest II in 2019, which he noted was attended by a diverse group of people. Mr. Potter commented that a grant would help to expand awareness of the organization as well as provide training. Ms. Epps noted people would then visit the local breweries more often, and this would help to open it up to people of color in the community. Mr. Potter noted the top two priorities for his organization are educating consumers and educating people to make a living in the craft beer industry. Board members had questions and comments.

Dan LaBert, Brewers of PA, (via telephone), provided a brief history of his organization, noting Brewers of PA as the official state guild founded in 2011, with nearly 300 brewing members and over 115 associate members. Mr. LaBert stated the annual Meeting of the Malts was an annual gathering of organizations with a proven track record generating tourism from over 12 states to showcase continued success of the entire Pennsylvania craft beer industry. He stated, "It's time we started celebrating beer and not just craft beer." Mr. LaBert further stated, a leadership effort needs to be made to "take a step forward and unify the industry." He

answered questions from Board members. Mr. LaBert suggested bringing key organizations, such as the PBA, NBDA and the Tavern Association, together to move the industry forward.

Dan LaBert, Brewers of PA (via telephone), made a second presentation on behalf of the Pennsylvania Brewing Symposium and suggested the professional development of the brewing industry by extending the Brewing Symposium to two full days, whereby past grant award recipients would deliver updates with regard to research and funding to members of the brewing industry. He answered questions from Board members with regard to travel expenses and sponsorships regarding the symposium.

Eberhard Carroll CNC Malting Co., provided a brief history of the organization. He noted the first proposal related to the installation of a grain dryer to prevent spoilage during storage at his facility. Mr. Carroll discussed the grain drying process and indicated that the dryer would help small farmers across the state. Mrs. Carroll stated training seminars would be scheduled to educate everybody from the growers to the producer to the final consumer. She answered questions from Board members.

Mark Braut, Malster, Deer Creek Malthouse, focused his presentation on raw materials for production of beer being grown in Pennsylvania, improving education opportunities and promoting marketing and research to help educate the population on the beer product. He provided a brief history of his malting operation. Mr. Braut discussed an annual event known as Malt-a-Palooza, which is an opportunity for people to go out into the field, meet the farmers, and celebrate another year of local harvest and beverages. He answered questions from Board members.

Nate Kresge, GK Visual, a full service production house specializing in video production and corporate photography shooting two dozen different events across Pennsylvania, which the company would like to make available on Amazon and Prime to elevate Pennsylvania's image nationally and internationally. Mr. Kresge noted the company was interested in filming small breweries and brewery trails across the state. He referred to a documentary now available that explores Pennsylvania's craft beer industry.

Doug Clayton, Hop Stop Farm, provided a history of his organization which he stated is a farm that grows hops. Mr. Clayton was in front of the Board to request a grant for a new hop dryer to dry hops evenly and more quickly. Board members had questions regarding the varieties and amounts of plants on the farm.

Matt Katase, Pittsburgh Brewers Guild, provided a history of the organization. He noted that 50 people have visited all 30 breweries in Allegheny County. Mr. Katase noted the guild has recently partnered with Visit Pittsburgh and has come out with the palm card program to promote craft beer in Pittsburgh. There was discussion about relaunching Pittsburgh Craft Beer Week next September, which is also designated as PA's Craft Beer Month. Board members had questions.

Linda Falcone, Extension Educator of Entrepreneurship, Economic and Community Development, PSU (via telephone) provided a history of her educational background. Ms. Falcone requested an educational grant for retail training in partnership with the Malt Beverage Distributors Association (MBDA). She indicated the goal was to increase sales of malted and brewed beverages in Pennsylvania. Ms. Falcone noted that fact sheets would be developed, videos would be made, and workshops would be held in four different areas of the state and also via webinars. She answered questions from Board members.

Darrell Cockburn, Ph.D., Assistant Professor of Food Science, PSU (via telephone), desired to continue building off last year's proposal with regard to gluten-free grain and the structuring of other types of grains using a commercial enzyme system. Board members had questions.

Maria Graziani, MBA, Extension Educator, PSU (via telephone) expressed her excitement with regard to the partnership with CNC Malting and all projects for the craft beer industry. Ms. Graziani noted the main objective of the project was to increase the shelf life of hops, increase brewer access from locals, free up capital for small hops growers to expand, allowing the hop farmer to offer dry hops and educate the hop-growing public on processing and storage techniques to optimize hop flavor in beer and collect all of the data and turn it into programming for the agricultural community to grow the number of hop farmers in Pennsylvania. She noted there would be data collection from participating growers, and the rating of the quality, aroma and taste and outcomes by a cohort of growers and brewers. Ms. Graziani was asked a question regarding the liquefaction aspects of hops as it applies to extract oils. She offered to work with any hop farmers interested in exploring this part of the hops processing. There was further discussion regarding the matter.

Ross Pifer, Associate Dean for Clinics and Experiential Learning, PSU (via telephone) focused on one legal issue raised by hops production, which would be a guide and presentations to assist the smaller beginning farmer on how to go about leasing property for hops production. He answered questions from Board members.

Ryan Elias, Ph.D., Professor of Food Science, PSU (via telephone) referred Board members to his associate, Phil Jensen, Ph.D., for further discussion of his project involving extraction of flavor compounds from hops. Board members had questions.

Ryan Elias, Ph.D., Professor of Food Science, PSU (via telephone) referred Board members to his associate, Phil Jensen, Ph.D., for further discussion of his project involving byproducts of processed lager making. He discussed the price difference between the malt and middling. Board members had questions.

Jeff McCullor, The Lake Erie Ale Trail (via telephone), provided a brief history and discussed the goals of the organization, which are to expand marketing efforts to increase awareness of the craft brew industry and increase the benefits and membership. Mr. McCullor answered questions from Board members.

Matthew Farber, Ph.D., Program Director, Brewing Science Certificate Program at the University of the Sciences, presented before the Board for discussion of the importance of being a leader in beer quality. Dr. Farber noted receiving at least one request a week for assistance from brewers on various issues and quality examination, but he lacks the staff to dedicate to this testing. He stated grant funds would be used to hire a lab manager, who would be able to execute the necessary to provide data to the farmers and producers and malt beverage manufacturers.

David Altrogee, Vinegar Hill Picture Works, LLC, a production company and story telling organization focused on making documentaries. He noted the emphasis of the corporation was to expand the tourism business. He provided a history of the organization's film documentaries. Mr. Altrogee stated his organization was interested in developing a series of 3 to 5 minute documentaries profiling some of Pennsylvania's absolute best craft breweries. He referred members to a link on the website to view the quality of the films produced. Board members had questions.

Ashley Kurtz, Marketing Manager, Cumberland Area Economic Development Corporation, and on behalf of Visit Cumberland and the Cumberland Valley Beer Trail, presented for discussion of the beer industry's economic impact and the impact of the Cumberland Valley Beer Trail. She indicated grant monies would be used for advertisement costs. Ms. Kurtz answered questions from Board members.

James Zale, Chief Digital Officer, Michael Newmuis, Chief of Staff, President's Office, Visit Philadelphia. Mr. Zale noted the mission of the organization. He stated its goals would include building Philadelphia and Pennsylvania's image as one of the country's best places for craft beer and to guide people to visit breweries in the region by increasing marketing and content distribution efforts, digital targeting, adding trail paths, monitoring search engines, and strategic partnerships with regional partners. Mr. Zale commented that some of the benefits would include providing a strong link to the beer industry and targeting people that are likely to travel for craft beer. Mr. Zale answered questions from Board members.

Brenda Armstrong, Senior Director of Marketing, Visit Pittsburgh (via telephone), addressed the Board with regard to funds to support a marketing plan to promote the 40 Allegheny County craft breweries to out of market audiences on what makes craft breweries so unique to stand out among others. The plan would optimize the campaign to outreach those out of market audiences more. A third party research party would be utilized to assist in the process. Board members had questions for Ms. Armstrong.

SCORING OF PRESENTATIONS

RESOLUTION NO. 2019.08-TOTAL PROPOSAL FUNDING

Motion by: Christian Lampe

Second by: Michele Meloy Burchfield

Passed: Passed.

To approve funding for the proposals in the amount of \$1,297,955. It was noted that there were some recusals on the individual projects.

RESOLUTION NO. 2019.09-EXTRA FUNDING FOR HOP STOP FARM

Motion by: Sean Casey

Second by: Michele Meloy Burchfield

Passed: Unanimously.

To approve an extra \$1,000 for a hops dryer at Hop Stop Farm.

Chair Brock requested that Board members review all the proposals for further discussion.

There was discussion regarding criteria for proposals.

RESOLUTION NO. 2019.10-REJECTED PROPOSALS

Motion by: William Brock

Second by: Sean Casey

Passed: Unanimously.

A request that the Board does not comment on proposals that have been rejected.

Mr. Andrews requested that the Board provide bullet points of information to be included in the proposal. He indicated this would be the final year of funding at the level indicated for Visit Philadelphia and noted there would be other reduced fundings that would need to be notified.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:30 p.m.

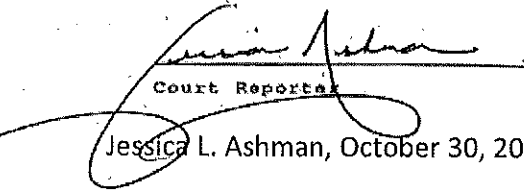
RESOLUTION NO. 2019.11 -ADJOURNMENT

Motion by: Christian Lampe

Second by: Sean Casey

Passed: Unanimously.

Respectfully Submitted:


Court Reporter

Jessica L. Ashman, October 30, 2019