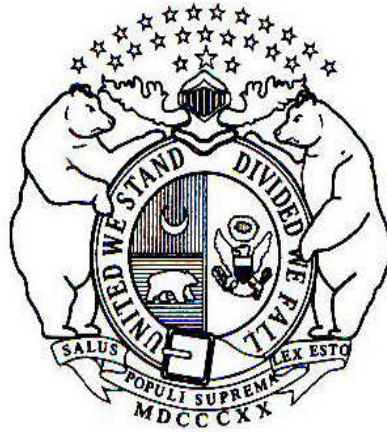


2007

ANNUAL REPORT



MISSOURI WINE AND GRAPE BOARD

Annual Report of the Missouri Wine and Grape Board

Executive Summary

The Missouri Wine and Grape Board was created by the Missouri General Assembly in 2004 as an independent political and corporate body of the state of Missouri (Missouri statute 262.820). Prior to this date, the Board existed in advisory form, with members appointed by the Director of Agriculture in the early 1980's. The purpose of the Board is to further the growth and economic development of the grape growing industry in the state of Missouri.

The Wine and Grape Board is responsible for researching, developing and promoting Missouri grapes, juices and wine. The Board is funded by the collection of a statewide tax imposed on all wine sold in Missouri at the rate of 12 cents per gallon. These funds support the program's three sections: enology and viticulture advisory services, research and promotion and marketing. Program expenditures provide:

- Professional advice to Missouri grape growers and wine makers
- Applied research for developing grape varieties and cold hardiness studies
- Consumer education to increase awareness of Missouri grapes and wine industry

The Board is governed by a bipartisan commission whose eleven members are appointed by the governor with the consent of the Senate. The director of the Department of Agriculture also serves as an ex-officio member. Members serve a four-year term, but can serve no more than two consecutive four-year terms. A member may, however, after serving two consecutive four-year terms and retiring for a minimum of one full year, be eligible for reappointment to the Board. Business is conducted through bi-monthly Board meetings or conference calls. Special meetings are held as needed.

The Board elects their own officers and has the authority to appoint staff. Tim Puchta was elected to serve as chairman, Jon Held as vice-chairman, Cara Stauffer as marketing chairwoman, Tony Kooyumjian as research chairman and Jim Anderson is currently serving as executive director.

During the 93rd General Assembly, 2nd Regular Session several provisions relating to liquor control and benefiting Missouri's wineries passed. Senate Bill 299 will help the Missouri Wine and Grape industry expand its efforts in agro-tourism and value-added crops:

- The bill allows a wine manufacturer to ship up to two cases of wine per month directly to a Missouri resident who is at least twenty-one years of age for personal use.
- The bill allows licensed wine manufacturers who allow consumption of wine on their premises to open on Sundays at 9:00 a.m. instead of 11:00 a.m.
- The bill allows wineries to provide or pour wine samples for customer tasting purposes on any temporary licensed retail premise.

PROGRAM SUMMARY

The purpose of the Missouri Wine and Grape Board is to have the Missouri wine and grape industry recognized as a pre-eminent producer of profitable premium wines in the Midwest.

Missouri wineries continue to refine their grape growing and winemaking skills to offer distinctive, quality wines. The Wine and Grape Board sponsor research at the Institute for Continental Climate Viticulture & Enology (IVVCE) center, where the quest for better, hardier grapevines is ongoing. Currently, Missouri has 74 wineries, more than 1,350 acres of grapes and produces more than 352,000 cases of wine sold.

Following is a description of activities for the various programs offered by the Board.

Marketing

The marketing committee is responsible for promoting Missouri wineries and Missouri wines as entertainment, education, tourism (Missouri is ranked 3rd as a wine tourism leader) and lifestyle. Methods of reaching our target market have been conducted through sponsorships to expand the wine culture, grass roots tastings, trade shows, wine 101 classes, conducting classes at the universities and colleges, print advertising and media.

Research

The Research Committee is responsible for programs covering research extension, education, and service in the areas of viticulture and enology. These efforts are mainly conducted through a unique partnership between the University of Missouri and the Wine and Grape Board. This partnership is primarily served through the Institute for Continental Climate Viticulture and Enology. In addition, collaborative projects are conducted with other institutions in state and out of state.

Board Members

Don Steen, Director of Agriculture
Eldon, Missouri
Term: 7/08

Cory Bomgaars
Rocheport, Missouri
Term: 8/01/2005 to 10/28/2008

Mr. Tim Puchta, Chairman
Hermann, Missouri
President, Missouri Vintners Assoc.

Elaine Mooney
Sainte Genevieve, Missouri
Term: 8/01/2005 to 10/28/2008

Jon Held, Vice Chairman
Hermann, Missouri
Term: 11/13/2007 to 10/28/2011

Katie Gill
Steelville, Missouri
Term: 8/28/2005 to 10/28/2008

Bryan Siddle
Sainte Genevieve, Missouri
President, MO Grape Growers' Assoc.
Term: 2/01/2007

Tony Kooyumjian, Research Chairman
Augusta, Missouri
Term: 8/01/2005 to 10/28/2008

Matt Kirby
Higbee, Missouri
Term: 4/2008 to 10/2010

Barbara Gibbs Ostmann
Gerald, Missouri
Term: 11/13/2007 to 10/28/2011

Staff

Jim Anderson
Executive Director

Danene Beedle
Marketing Specialist

Sue Berendzen
Executive Assistant

\$701.2 Million

Full-Time Equivalent Jobs	6,186
Wages Paid	\$150.0 million
Winery Revenue	\$30.6 million
Cases Sold	352,000
Retail Value of Missouri Wine	\$51.0 million
Crop Size	2,800 tons
Vineyard Revenue	\$2.3 million
Number of Wineries	74
Number of Commercial Growers	200
Grape-Bearing Acres	1,350
Wine-Related Tourism Expenditures	\$202.8 million
Number of Wine-Related Tourists	812,000
Taxes Paid (state and local)/Federal	\$39.4/\$28.9 million

*MKF Research LLC

MKF created projections based on growth in the actual number of wineries, data on new winery production levels and existing winery production growth, as well as tourism trends.

Wineries by City

Altenburg

63 - Tower Rock Winery

Augusta

2 - Augusta Winery
3 - Louis P. Balducci Vineyards
38 - Montelle Winery
40 - Mount Pleasant Winery

Berger

5 - Bias Vineyards & Winery

Billings

34 - LeCave Vineyards

Bland

68 - Wenwood Farm Winery

Branson

55 - Stone Hill Winery-Branson

Brazeau

27 - Henman Winery

Carthage

71 - White Rose Winery

Clarksville

20 - Crown Valley Port House

Cole Camp

23 - Eichenberg Winery

Columbia

B - Institute for Continental Climate Viticulture & Enology

Commerce

48 - River Ridge Winery

Defiance

59 - Sugar Creek Winery & Vineyards

Dover

62 - Terre Beau Vineyards

Dutzwow

6 - Blumenhof Vineyards

Eureka

15 - Claverach Farm & Vineyards

Farmington

19 - Crown Valley Champagne House
64 - Twins Oaks Vineyard & Winery

Fredericktown

65 - Vance Vineyard & Winery

Hartsburg

60 - Summit Lake Winery

Hermann

1 - Adam Puchta Winery
28 - Hermannhof Winery
43 - OakGlenn Vineyards & Winery
56 - Stone Hill Winery-Hermann

Higbee

16 - The Cooper's Oak Winery

Hillsboro

66 - Villa Antonio Winery

Holts Summit

61 - Summit Lake Winery

Jefferson City

A - Wine and Grape Board
41 - Native Stone Winery & Bull Rock Brewery

Kansas City

30 - Inland Sea Wines

Knob Noster

9 - Bristle Ridge Vineyards & Winery
39 - Montserrat Vineyards

Lee's Summit

58 - Stonehaus Farms Winery

Lone Jack

11 - Bynum Winery

Louisiana

22 - The Eagle's Nest Winery

Marquand

21 - Durso Hills

Monroe City

29 - Indian Creek Winery

Mount Vernon

72 - Williams Creek Winery

New Haven

7 - Bommarito Estate Almond Tree Winery
50 - Röbller Vineyard Winery

New Florence

57 - Stone Hill Winery-New Florence

Oronogo

32 - Keltor Vineyard

Owensville

46 - Phoenix Winery & Vineyards

Park Hills

53 - St. Francois Vineyards

Platte City

31 - Jowler Creek Winery

Poplar Bluff

8 - Bonanza Spring Winery

Rocheport

35 - Les Bourgeois Winery & Vineyards

Springfield

44 - OOVVDA Winery

Seymour

70 - Whispering Oaks Winery

St. Charles

36 - Little Hills Winery & Restaurant

Ste. Genevieve

12 - Cave Vineyard
13 - Charleville Vineyards
14 - Chaumette Vineyards & Winery
18 - Crown Valley Winery
52 - Sainte Genevieve Winery

St. James

24 - Ferrigno Winery
26 - Heinrichshaus Vineyard & Winery
37 - Meramec Vineyards
54 - St. James Winery

St. Louis

17 - Copia Urban Winery & Market

Steelville

45 - Peaceful Bend Vineyard

Stover

10 - Buffalo Creek Vineyard & Winery
25 - Grey Bear Vineyards & Winery

Sugar Creek

67 - VinoGrad Winery

Warrenton

51 - Rolling Meadows Vineyards

Washington

33 - La Dolce Vita Vineyard & Winery

Waverly

4 - Baltimore Bend Vineyard

Wellington

42 - New Oak Vineyards

Weston

47 - Pirtle Winery
49 - Riverwood Winery

Westphalia

69 - Westphalia Vineyards



Wine Tax Comparison

Month	FY2003	FY2004	FY2005	FY2006	FY2007
July	43,404.95	90,197.16	87,361.58	98,926.55	104,435.04
August	36,635.26	78,415.98	88,397.13	79,014.56	88,163.77
September	43,556.89	96,205.61	101,354.23	111,437.91	127,850.17
October	87,431.09	90,477.08	87,369.93	102,825.89	94,065.70
November	112,551.98	122,134.98	117,865.21	122,395.70	121,513.39
December	101,319.12	96,730.83	125,823.34	133,896.09	139,093.40
January	87,427.50	91,346.44	95,228.61	91,250.65	91,266.90
February	70,140.71	81,093.82	73,279.23	84,003.50	89,347.99
March	95,159.94	84,066.98	84,683.86	101,697.69	112,332.52
April	87,902.84	94,264.90	91,614.52	101,709.06	104,011.69
May	94,392.43	90,489.59	83,628.99	85,235.96	97,141.47
June	102,337.40	98,644.43	97,511.98	116,375.03	116,829.88
	962,260.11	1,114,067.80	1,134,118.61	1,228,768.59	1,286,051.92

Missouri Wine and Grape Board
Statement of Assets and Net Assets – Cash Basis
June 30, 2007

ASSETS

CURRENT ASSETS:

Pooled cash – State of Missouri, Missouri Department of Agriculture	
Marketing Fund 0683	\$
Research Development Tax 0683	\$414,544.88
Marketing Fund 0787	\$605,453.48
Research Development 0787	\$653,530.64
TOTAL ASSETS POOLED CASH	\$1,677,251.41

NET ASSETS

NET ASSETS:

Marketing Fund 0683	\$ 3,722.41
Marketing Fund 0683	\$ 605,453.48
Total Marketing Fund	\$ 609,175.89
Research Fund 0683	\$ 414,544.88
Research Fund 0787	\$ 653,530.64
Total Research Fund	\$1,068,075.52
TOTAL NET ASSETS	\$1,677,251.41

Missouri Wine and Grape Board
Statement of Receipts, Functional Expenditures and
Changes in Net Assets – Cash Basis
For The Year Ended June 30, 2007

RECEIPTS

Wine tax – Marketing	\$ 643,026.31
Wine tax – Research	\$ 643,025.61
Miscellaneous	\$ 10,597.22
Total support and revenues	\$1,286,051.92

FUNCTIONAL EXPENDITURES

Administrative	\$ 301,155.69
Professional service – Marketing	\$ 328,441.45
Professional service – Research	\$ 381,234.54
Total Expenses	\$1,010,831.68