

FISCAL YEAR 2012

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 2006 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 1980s. 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 wines. 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 winemakers
- Applied research for developing grape varieties and cold hardy studies
- Consumer education to increase awareness of Missouri grapes and wine industry

The Board is governed by a bipartisan commission whose 11 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 quarterly Board meetings or conference calls. Special meetings are held as needed.

The Board elects its own officers and has the authority to appoint staff. Peter Hofherr was elected to serve as chairman, Cory Bomgaars as vice-chairman, Barbara Gibbs Ostmann as marketing chairwoman, Tony Kooyumjian as research chairman and Jim Anderson is currently serving as executive director.

PROGRAM SUMMARY

The purpose of the Missouri Wine and Grape Board is to have the Missouri wine and grape industry recognized as a preeminent 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 sponsors research at the Institute for Continental Climate Viticulture & Enology (ICCVE) at the University of Missouri-Columbia center, where the quest for better, hardier grapevines is ongoing. The number of wineries in the state has grown from 59 in 2007 to 120 in 2012.

Historically, Missouri was one of the first wine regions in the nation. Although the “coasts” dominate the U.S. wine industry, through innovative marketing and painstaking grape research, Missouri is poised to be the heart and anchor of the Midwest wine industry.

Missouri Wine and Grape Board

Vision: *To be the Regional Leader Recognized for Quality Grapes and Wine.*

Board Members

Dr. Jon Hagler, Director of Agriculture
Jefferson City, Missouri

Peter Hofherr, Chairman
St. James, Missouri
Term Ending: 10/2014

Cory Bomgaars, Vice-Chairman
President of the MO Vintner’s Association
Rocheport, Missouri
Term: Automatic Appointment

Barbara Gibbs Ostmann, Marketing
Chairwoman
Gerald, Missouri
Term Ending: 10/2014

Chuck Dressel
Augusta, Missouri
Term Ending: 10/2012

Katie Nott
Steelville, Missouri
President, Wine Marketing & Research
Council
Term: Automatic Appointment

Jon Held
Hermann, Missouri
Term Ending: 10/2011

Matt Kirby
Higbee, Missouri
Term Ending: 10/2010

Ken Meyer
Springfield, Missouri
Term Ending: 10/2013

Jason Gerke
Platte City, Missouri
President, MO Grape Growers Association
Term: Automatic Appointment

Marty Strussion
Ste. Genevieve, Missouri
Term Ending: 10/2011

Staff

Jim Anderson, Executive Director
Danene Beedle, Marketing Director

Teah Hopper, Marketing Specialist
Sue Berendzen, Executive Assistant

The Wine and Grape Board stimulates growth of the grape and wine industry for the economic and social benefit of the citizens of Missouri. With the increasing number of grape growers and wineries in Missouri, production in the crowded and fragmented wine market will require a relentless focus on quality wine and tourism value. In tough economic times, wine consumption continues to rise and the growth of the industry flourishes.

State and regional organization support is critical to the success of the renewed industry. Based on the recent legislative partnerships, there appears to be strong momentum in favor of the wine

and grape industry in Missouri that is driven by the efforts of the Missouri Wine and Grape Board.

Missouri's wine and grape industry will benefit from America's steadily rising demand for higher quality. Wine is an affordable luxury, which has become the most sought-after consumer good of this era.

Wine Tax Comparison

Month	FY2008	FY2009	FY2010	FY 2011	FY 2012
July	97,938.41	104,695.07	106,630.71	98,400.08	133,430.37
August	99,536.10	119,546.53	115,279.41	112,102.99	117,523.46
September	113,869.55	105,473.25	129,717.22	123,043.40	127,768.32
October	108,101.00	104,097.09	120,869.52	130,937.50	138,393.72
November	137,018.72	146,438.23	133,236.46	145,459.74	141,872.04
December	141,776.27	128,376.82	124,317.47	146,517.41	153,913.00
January	107,284.56	114,943.15	123,727.17	133,399.88	174,315.59
February	103,148.89	82,851.97	102,548.61	111,801.51	112,226.70
March	102,628.72	89,344.17	106,561.11	105,491.58	121,962.26
April	104,550.34	106,805.61	124,675.38	123,246.90	123,819.52
May	104,700.26	104,800.31	119,280.48	127,225.09	107,874.23
June	110,990.65	120,109.98	130,052.79	121,562.40	137,866.04
	1,331,543.47	1,327,482.18	1,436,896.33	1,479,188.48	1,590,965.25

Missouri Wine and Grape Board
Statement of Assets and Net Assets – Cash Basis
June 30, 2012

ASSETS

CURRENT ASSETS:

Pooled cash – State of Missouri, Missouri Department of Agriculture	
Marketing Fund 0787	\$ 350,539.86
Research Development 0787	\$ 496,071.40
Marketing & Research Development Fund	\$ 142,348.49
TOTAL ASSETS POOLED CASH	\$ 988,759.75

NET ASSETS

NET ASSETS:

Marketing Fund 0787	\$ 350,539.86
Research Fund 0787	\$ 496,071.40
Marketing & Research Development Fund	\$ 142,348.49
TOTAL NET ASSETS	\$ 988,959.75

Statement of Receipts and
Changes in Net Assets – Cash Basis
For The Year Ended June 30, 2012

RECEIPTS

Wine tax – Marketing	\$ 795,468.03
Wine tax – Research	\$ 795,467.22
Interest	\$ 7,145.61
Miscellaneous	\$ 19,640.35
Total support and revenues	\$1,617,721.21