

FISCAL YEAR 2018

ANNUAL REPORT



MISSOURI WINE AND GRAPE BOARD



**MISSOURI
WINES®**

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. Dr. 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 Grape and Wine Institute at the University of Missouri-Columbia, where the quest for better, hardier grapevines is ongoing. The number of wineries in the state has grown from 59 in 2007 to 133 in 2018.

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

Chris Chinn
Director of Agriculture
Jefferson City, Missouri

Dr. Peter Hofherr, Chairman
St. James, Missouri
Term Ending: 10/2012

Corey Bomgaars
President of the MO Vintner's Association
Rocheport, Missouri
Term: Automatic Appointment

Barbara Gibbs Ostmann, Marketing
Chairwoman
Gerald, Missouri
Term Ending: 10/2011

Chuck Dressel
Augusta, Missouri
Term Ending: 10/2012

Sarah Schmidt
President, Wine Marketing & Research
Council
Waverly, Missouri
Term: Automatic Appointment

Jon Held
Hermann, Missouri
Term Ending: 10/2011

Matt Kirby
Higbee, Missouri
Term Ending: 10/2010

Kenneth Meyer
Springfield, Missouri
Term Ending: 10/2012

Linda Koch
President, MO Grape Growers Association
Platte City, Missouri
Term: Automatic Appointment

Marty Strussion (Retired – position open)
Ste. Genevieve, Missouri
Term Ending: 10/2011

Staff

Jim Anderson, Executive Director
Annette Alden, Marketing Director
Christy Moody, Executive Assistant

Rosemary Frank, Marketing Specialist
Morgan Loethen, Marketing Specialist

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	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
July	129,105.49	149,441.75	142,236.30	152,640.24	146,142.09	171,134.87
August	126,212.83	131,936.29	144,437.19	137,957.01	125,674.86	131,772.74
September	136,882.00	149,226.81	110,329.10	124,843.98	144,621.12	149,598.71
October	126,795.17	134,284.08	157,013.50	185,725.90	155,478.74	165,085.70
November	154,057.44	165,163.72	125,504.82	165,088.95	112,562.16	172,185.47
December	164,653.79	153,121.81	129,663.75	153,033.72	212,316.44	173,419.94
January	139,759.38	148,379.13	178,945.30	160,475.82	169,244.70	164,375.38
February	101,486.62	113,875.76	195,491.32	128,138.10	115,014.26	134,150.30
March	141,846.26	137,248.92	117,881.04	124,196.90	162,056.94	129,843.76
April	117,558.11	137,242.27	145,176.82	148,712.74	161,408.15	149,036.04
May	128,750.32	134,489.38	136,488.79	147,513.74	128,800.35	139,334.06
June	132,605.88	144,950.21	149,790.53	158,822.86	143,951.76	178,746.35
	1,599,713.29	1,699,360.13	1,732,958.46	1,787,149.96	1,777,271.57	1,858,683.32

MISSOURI WINE AND GRAPE BOARD FUND 0787
STATEMENT OF REVENUES AND EXPENDITURES
YEAR TO DATE
JULY 31, 2018 FY18

FY18 Beginning Cash Balance Per Program		\$ 486,933.54	\$ 37,760.77	\$ 430,686.40	\$ 955,380.71
		Grape & Wine Tax	Marketing & Research Dev.	Research/ Dev. Tax	Total
Revenues					
1055	WINE TAX	\$ 915,133.41	\$ -	\$ 915,130.49	\$ 1,830,263.90
1263	CONTRACT FEES	\$ -	\$ -	\$ -	\$ -
1601	TIME DEPOSITS INTEREST	\$ 312.45	\$ -	\$ 312.42	\$ 624.87
1603	US/AGENCY SECURITIES INTEREST	\$ 6,233.40	\$ -	\$ 6,233.38	\$ 12,466.78
1723	VENDOR REFUNDS - LOCAL/OTHER	\$ -	\$ -	\$ -	\$ -
1806	RECOVERY COSTS	\$ 14,764.17	\$ -	\$ -	\$ 14,764.17
1834	REBATES	\$ -	\$ 563.60	\$ -	\$ 563.60
5501	APPROPRIATED TRANSFERS IN	\$ (152,548.59)	\$ 305,097.18	\$ (152,548.59)	\$ -
6013	IAB REIMBURSEMENT/RECOVRY COST	\$ -	\$ -	\$ -	\$ -
Total Revenues		\$ 783,894.84	\$ 305,660.78	\$ 769,127.70	\$ 1,858,683.32
Expenses					
100	SALARIES & WAGES	\$ (188,793.50)	\$ (100,205.96)	\$ -	\$ (288,999.46)
120	BENEFITS	\$ (93,786.67)	\$ (44,538.75)	\$ -	\$ (138,325.42)
140	TRAVEL, IN-STATE	\$ (19,183.16)	\$ (6,489.06)	\$ -	\$ (25,672.22)
160	TRAVEL, OUT-OF-STATE	\$ (3,805.03)	\$ (3,117.06)	\$ -	\$ (6,922.09)
180	FUEL & UTILITIES	\$ -	\$ -	\$ -	\$ -
190	SUPPLIES	\$ (52,119.94)	\$ (1,799.74)	\$ -	\$ (53,919.68)
320	PROFESSIONAL DEVELOPMENT	\$ (21,988.50)	\$ (12,731.82)	\$ -	\$ (34,720.32)
340	COMMUNICATION SERV & SUPP	\$ (4,851.44)	\$ (3,113.75)	\$ -	\$ (7,965.19)
400	PROFESSIONAL SERVICES	\$ (528,783.58)	\$ (13,815.79)	\$ (838,625.41)	\$ (1,381,224.78)
420	HOUSEKEEP & JANITOR SERV	\$ -	\$ -	\$ -	\$ -
430	M&R SERVICES	\$ (575.13)	\$ (163.47)	\$ -	\$ (738.60)
480	COMPUTER EQUIPMENT	\$ -	\$ (1,332.23)	\$ -	\$ (1,332.23)
560	MOTORIZED EQUIPMENT	\$ -	\$ (750.00)	\$ -	\$ (750.00)
580	OFFICE EQUIPMENT	\$ -	\$ -	\$ -	\$ -
590	OTHER EQUIPMENT	\$ (2,230.27)	\$ (7,609.18)	\$ -	\$ (9,839.45)
640	PROPERTY & IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
660	DEBT SERVICE	\$ -	\$ -	\$ -	\$ -
680	BUILDING LEASE PAYMENTS	\$ (3,900.00)	\$ (9,473.00)	\$ -	\$ (13,373.00)
690	EQUIPMENT RENTAL & LEASES	\$ -	\$ -	\$ -	\$ -
740	MISCELLANEOUS EXPENSES	\$ (13,576.66)	\$ (575.94)	\$ -	\$ (14,152.60)
760	REBILLABLE EXPENSES	\$ -	\$ -	\$ -	\$ -
780	REFUNDS	\$ -	\$ -	\$ -	\$ -
800	PROGRAM DISTRIBUTIONS	\$ (4,592.38)	\$ -	\$ -	\$ (4,592.38)
820	TRANSFERS/BENEFITS	\$ -	\$ (18,734.36)	\$ -	\$ (18,734.36)
	PAYABLES ADJUSTMENT	\$ -	\$ -	\$ -	\$ -
Total Expenses		\$ (938,186.26)	\$ (224,450.11)	\$ (838,625.41)	\$ (2,001,261.78)
Revenues Less Expenses		\$ (154,291.42)	\$ 81,210.67	\$ (69,497.71)	\$ (142,578.46)
Ending Cash Balance Per Program		\$ 332,642.12	\$ 118,971.44	\$ 361,188.69	\$ 812,802.25
Cash Balance Beginning		\$ 955,380.71			
Plus: Total Monthly Revenue Amts		\$ 1,858,683.32			
Less: Total Monthly Expense Amts		\$ (2,001,261.78)			
Cash Balance Ending		\$ 812,802.25			
F100 Balance		\$ 812,802.25			