

FISCAL YEAR 2015

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 126 in 2015.

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

Director of Agriculture
Jefferson City, Missouri

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

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: 10/2011

Chuck Dressel
Augusta, Missouri
Term Ending: 10/2012

Sarah Schmidt
Waverly, 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

Kenneth Meyer
Springfield, Missouri
Term Ending: 10/2012

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

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

Staff

Jim Anderson, Executive Director
Danene Beedle, Marketing Director
Sue Berendzen, Executive Assistant

Christa Holtzclaw, Marketing Specialist
Ilana Archuleta, 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 2011	FY 2012	FY 2013	FY 2014	FY 2015
July	98,400.08	133,430.37	129,105.49	149,441.75	142,236.30
August	112,102.99	117,523.46	126,212.83	131,936.29	144,437.19
September	123,043.40	127,768.32	136,882.00	149,226.81	110,329.10
October	130,937.50	138,393.72	126,795.17	134,284.08	157,013.50
November	145,459.74	141,872.04	154,057.44	165,163.72	125,504.82
December	146,517.41	153,913.00	164,653.79	153,121.81	129,663.75
January	133,399.88	174,315.59	139,759.38	148,379.13	178,945.30
February	111,801.51	112,226.70	101,486.62	113,875.76	195,491.32
March	105,491.58	121,962.26	141,846.26	137,248.92	117,881.04
April	123,246.90	123,819.52	117,558.11	137,242.27	145,176.82
May	127,225.09	107,874.23	128,750.32	134,489.38	136,488.79
June	121,562.40	137,866.04	132,605.88	144,950.21	149,790.53
	1,479,188.48	1,590,965.25	1,599,713.29	1,699,360.13	1,732,958.46

Monthly Cash Reconciliation
Missouri Wine and Grape Board
Statement of Revenues and Expenditures
Year to Date
June 30, 2015 FY15

FY15 Beginning Cash Balance Per Program	\$ 161,936.83	\$ 153,551.08	\$ 455,471.99	\$ 770,959.90
	Grape & Wine Tax	Marketing & Research Dev.	Research/ Dev. Tax	
Revenues				
1055 WINE TAX	\$ 860,526.21	\$ -	\$ 860,525.77	\$ 1,721,051.98
1263 CONTRACT FEES	\$ -	\$ 35.95	\$ -	\$ 35.95
1601 TIME DEPOSITS INTEREST	\$ 315.32	\$ 46.90	\$ 268.37	\$ 630.59
1603 US/AGENCY SECURITIES INTEREST	\$ 2,121.22	\$ 165.98	\$ 1,955.26	\$ 4,242.46
1723 VENDOR REFUNDS - LOCAL/OTHER	\$ -	\$ -	\$ -	\$ -
1806 RECOVERY COSTS	\$ 8,370.00	\$ -	\$ 216.57	\$ 8,586.57
1834 REBATES	\$ 189.89	\$ 260.90	\$ 116.06	\$ 566.85
5501 APPROPRIATED TRANSFERS IN	\$ (133,964.68)	\$ 267,929.35	\$ (133,964.67)	\$ -
6013 IAB REIMBURSEMENT/RECOVRY COST	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 737,557.96	\$ 268,439.08	\$ 729,117.36	\$ 1,735,114.40
Expenses				
100 SALARIES & WAGES	\$ (133,345.08)	\$ (116,989.00)	\$ -	\$ (250,334.08)
120 BENEFITS	\$ (48,138.48)	\$ (52,546.41)	\$ -	\$ (100,684.89)
140 TRAVEL, IN-STATE	\$ (14,343.86)	\$ (4,167.36)	\$ -	\$ (18,511.22)
160 TRAVEL, OUT-OF-STATE	\$ (5,683.25)	\$ (6,385.14)	\$ -	\$ (12,068.39)
180 FUEL & UTILITIES	\$ -	\$ -	\$ -	\$ -
190 SUPPLIES	\$ (46,071.85)	\$ (1,667.38)	\$ -	\$ (47,739.23)
320 PROFESSIONAL DEVELOPMENT	\$ (10,686.20)	\$ (11,170.00)	\$ -	\$ (21,856.20)
340 COMMUNICATION SERV & SUPP	\$ (2,744.86)	\$ (2,152.85)	\$ -	\$ (4,897.71)
400 PROFESSIONAL SERVICES	\$ (268,173.95)	\$ (17,474.02)	\$ (665,803.02)	\$ (951,450.99)
420 HOUSEKEEP & JANITOR SERV	\$ -	\$ -	\$ -	\$ -
430 M&R SERVICES	\$ (1,070.37)	\$ (19.13)	\$ -	\$ (1,089.50)
480 COMPUTER EQUIPMENT	\$ -	\$ (1,131.11)	\$ -	\$ (1,131.11)
560 MOTORIZED EQUIPMENT	\$ -	\$ -	\$ -	\$ -
580 OFFICE EQUIPMENT	\$ (235.00)	\$ -	\$ -	\$ (235.00)
590 OTHER EQUIPMENT	\$ (406.38)	\$ (262.08)	\$ -	\$ (668.46)
640 PROPERTY & IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
660 DEBT SERVICE	\$ -	\$ -	\$ -	\$ -
680 BUILDING LEASE PAYMENTS	\$ (2,600.00)	\$ (2,794.00)	\$ -	\$ (5,394.00)
690 EQUIPMENT RENTAL & LEASES	\$ (488.63)	\$ (1,062.94)	\$ -	\$ (1,551.57)
740 MISCELLANEOUS EXPENSES	\$ (7,188.91)	\$ (1,309.44)	\$ -	\$ (8,498.35)
760 REBILLABLE EXPENSES	\$ -	\$ -	\$ -	\$ -
780 REFUNDS	\$ -	\$ -	\$ -	\$ -
800 PROGRAM DISTRIBUTIONS	\$ -	\$ -	\$ -	\$ -
820 TRANSFERS/BENEFITS	\$ -	\$ (15,709.00)	\$ (62,172.02)	\$ (77,881.02)
PAYABLES ADJUSTMENT	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ (541,176.82)	\$ (234,839.86)	\$ (727,975.04)	\$ (1,503,991.72)
Revenues Less Expenses	\$ 196,381.14	\$ 33,599.22	\$ 1,142.32	\$ 231,122.68
Ending Cash Balance Per Program	\$ 358,317.97	\$ 187,150.30	\$ 456,614.31	\$ 1,002,082.58
Cash Balance Beginning	\$ 770,959.90			
Plus: Total Monthly Revenue Amts	\$ 1,735,114.40			
Less: Total Monthly Expense Amts	\$ (1,503,991.72)			
Cash Balance Ending	\$ 1,002,082.58			