

So You Want to Start a Winery?

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The Ambiance

Picture This!

Strolling through your beautiful vineyard in the early evening with the sun setting in the background while enjoying an exquisitely made vintage Cabernet

The Reality!

Are You Crazy!

With all of the blood, sweat and tears spent in the vineyard and winery, you will be too tired to take that romantic stroll through the vineyard. If you do happen to make it out in the vineyard near twilight, you will be disgusted to see that the deer, turkey, raccoons and birds have eaten all of your Cabernet leaving you none for next years romantic walk through the vineyard.

Just Kidding!

However, the brief scenario explains other real issues involved with operating a vineyard and winery besides all of the work and preparation involved with vineyard and winery set-up.

Keys to Establishing a Winery



Winemaking Experience

- Winemaking experience:
 - At least 5 years as amateur winemaker
- Diversify from winemaking kits:
 - Utilize local sources of juice and grapes
- Sensory trials
 - Gather opinions of family and friends
 - Compare to professional sensory experts
- Enter amateur wine competitions

Essential Information

- Increase knowledge through literature:
 - Grapes into Wine. 1965. Wagner, Philip M. Alfred A. Knopf, Inc. NY.
 - Methods for Analysis of Musts and Wine. 1980. Amerine, M.A. and Ough, C.S. John Wiley & Sons. NY.
 - Winemaking Basics. 1992. Ough, C.S. The Hawthorn Press, Binghampton NY.
 - Knowing and Making Wine. 1984. Peynaud, E. John Wiley & Sons. NY.
 - Winery Technology & Operations. 1996. Margalit, Y. The Wine Appreciation Guild LTD, San Francisco, CA.

Essential Information

- Increase knowledge through literature:
 - Technology of Winemaking. 1980. Amerine, M.A. et. al. AVI Publishing Company Inc. Westport Conn.
 - Wine Analysis and Production. 1995. Zoecklein, B.W. et. al. Chapman & Hall, NY.
 - Commercial Winemaking. 1981. Vine, R.P. AVI Publishing Company. Westport, Conn.
 - Winemaking problems solved. 2010. Butzke, C. E. et. al. Woodhead Publishing Limited.
 - Managing Wine Quality. (Volume 2). Reynolds, A.G. et. al. Woodhead Publishing

Essential Information

■ Trade journals

- Vineyard and Winery Management
- Practical Vineyard and Winery
- Wines and Vines
- Wine Business Monthly

■ Institutes of higher education

- Great information provided in the form of conferences (proceedings), extension bulletins and electronic resources.

Essential Information

- Visit commercial wineries
 - Pay special attention to winery layout, utilities, equipment and marketing aspects
 - Expand your palate by tasting different varieties in determining what you would like to offer as varietal or proprietary wine
 - Talk with winery owners and winemakers in getting technical hands on experienced advice

Essential Information

- Contact TTB and ODL in gathering important information and requirements that need to be addressed for bonding, licensing and selling issues as a commercial winery

Contact TTb

Department of The Treasury
Alcohol and Tobacco Tax and Trade Bureau
1310 G Street, NW, Box 12
Washington, DC 20005
Phone: 202-453-2000 (General)
E-mail: TTBInternetQuestions@ttb.gov (General)
Web site: <http://www.ttb.gov/>

Contact ODL

Ohio Department of Commerce

Division Of Liquor Control

6606 Tussing Road

Reynoldsburg, Ohio 43068-9005

Phone: 614/644-2411

Fax: 614/644-2513

<http://www.liquorcontrol.ohio.gov/liquor.htm>

Business Objectives

- Create a business that is a healthy, gratifying and challenging place to work
- Promote a quality product
- Provide a unique experience and setting
- Profitable and sustainable

Business Goals

- Develop a set of business goals to help clearly define and achieve your business objectives

Business Plan

- Essential to develop a viable business plan based on all information to obtain an accurate picture of what you will require in the way of assets
 - Prepared to sustain long term negative cash flow with large capital cost.
 - Ways to get cash flow going - yet still a starvation period.

Identify the Potential Market

- Upscale discriminating
 - Often the target for smaller boutique wineries
 - Market is more willing to pay higher prices for product seen as exceptional
 - Special attention to value added product for this type of market

Identify the Potential Market

- Non-discriminating market
 - Usually driven by lower prices and higher consumption
 - May be easier to support in terms of wine quality (Average commercial quality)
 - Issues of market presentation and price may put smaller producer at a disadvantage who benefits less from economics of scale

Identify the Potential Market

■ Open Minded

- Address both market desires
- Leaves room for growth in early stage evaluation of where you will place your emphasis in the future
- Non-discriminating market emphasis more on consistency
- Upscale market emphasis vintage, reserve and estate
- Plan ahead for future varietals and styles to be introduced

Identify the Potential Market

- Remember – It's not always about what wines you prefer but what your clientele or market demands

Capture The Target Market

- Advertising
 - Signage, newspaper, radio, website
- On site premise tasting
- Offsite premise tasting
 - Festivals and events
- Special events
 - Dinners, music, other

Capture The Target Market

- Labels and packaging
 - Unique attractive bottles and labels get attention and may help to drive sales
- Wine competitions
 - A good way to evaluate your quality and provide good marketing exposure to quality wines

Supporting The Market

- Direct on premise sales - (retail)
 - Most common for small to medium sized start-up winery
- Wholesale to restaurant and wine shops
 - Common to retail in providing more important information to be presented
 - Good for moving a relatively small volume in a limited regional area

Supporting The Market

- Selling through a distributor
 - Rely on promotional materials to sell your image
 - Personal impact will be less then selling direct
 - Require large volumes to keep up with demand

Site Selection

- Location, Location, Location
 - Tourism helps drive sales
- Easy access to winery
- Make sure trucks and busses are welcome and can get in and out with ease
- Fairly easy for people to find
 - traffic patterns

Site Selection - Location

- Nice aesthetics to have vineyard nearby
- Access to sewer, water and utilities
 - Rural/city sewer, water and utilities

Tasting Room Design

- Nice to have sight access to winery, vineyard and wonderful scenery
- Size – Don't skimp on size!
- Plan for comfortable flow patterns
- Wheelchair accessible
- Include large attractive bar area with good glass washing capabilities
- Provide phone lines, electric and camera system

Tasting Room Design

- Special event rooms or areas
 - barrel tasting room, catered areas etc..
- Include enough space for glass and case storage
- Have dedicated areas for retail items
- Provide office for tasting room manager

Winery Layout and Design

- Must have nice architecture
 - Needs to be inviting from a distance
- Make it a unique experience
 - Provide customer viewing area of production facilities and bottling line
- Have a shipping and receiving area
- Forklift friendly

Winery Layout and Design

- Design winery for functionality and flow
 - Electric and water throughout the winery (potable and waste)
 - High ceilings (14 feet) with commercial access doors
 - Painted/epoxy cement floors (sanitation process)
 - Provide plenty and large drain capacities
 - Heating and cooling capabilities (glycol, MLF)

Winery Layout and Design

- Design winery for functionality and flow
 - Flow from harvest to bottling in winery design
 - Outside crush pad (cemented) with roof
 - Separate Refrigeration room or jacketed tanks
 - Barrel room (humidity controlled)
 - Enclosed bottling line for sterility concerns
 - Don't skimp on the wine laboratory

Winery Layout and Design

- Designate enough room solely for storage
 - Chemical, equipment, empty case and bottle aging areas
- Provide office for winery and vineyard staff
- Plan on future growth opportunities
 - Physical (land for additional buildings)
 - Utilities (water, septic, electric, and telephone)

Winery Equipment

- Depend on source and style of wine produced in addition to winery size
 - Estate vineyards, purchased grapes, juice, discriminate market, non-discriminate market, and open market
- Crusher/Destemmer, Press
- Winery tanks – red, white or both
 - Jacketed SS, SS, HDPE
 - Fermentation, aging, cold stabilizing and bottling

Winery Equipment

- Oak integration or none?
 - Barrels or oak alternatives
- Pumps based on winery size and style
 - Must, transfer – variable speed
- Filtration based on winery size and style
 - Plate and frame, membrane, crossflow

Winery Equipment

- Bottling line
 - Hand or semi-automatic
- Laboratory equipment
 - Extremely important for quality control
 - In winery or commercial laboratory

Expertise

- Invest in a vineyard and winemaking consultant if needed in the production of a consistent quality product
- Organizations such as OWPA and OGIP provide excellent opportunities in special events and marketing
 - OWPA – <http://www.ohiowines.org/>
 - Phone: 1-800-227-6972
 - OGIC – <http://www.ohiograpes.org/>
 - Phone: (614)- 728-6438

Expertise

- Viticulture and Enology expertise at The Ohio State University/OARDC
 - Imed Dami, Viticulturist,
 - dami.1@osu.edu, Phone: (330) 263-3882
 - Dave Scurlock, Viticulture Outreach Specialist
 - Scurlock.2@osu.edu, Phone: (330) 263-3825
 - Todd Steiner, Enologist,
 - Steiner.4@osu.edu, Phone: (330) 263-3881
 - Website:
 - <http://ohiograpeweb.cfaes.ohio-state.edu/>

Legal

- Federal (TTB), State (ODL) and local laws
- Legal council – (ex. Corp. LLC. etc..)
- Record keeping – vineyard, wine, business
- Safety
- Insurance
- Trademark and copyright laws

Optimum Management and Personnel Staff

- General manager
- Vineyard manager
- Head winemaker
- Hospitality manager
- Retail manager
- Clerical staff
- Support staff
 - Vineyard, winery, tasting room, and restaurant

At the end of the day

Once everything is in place and going smoothly, you may get to enjoy that romantic stroll through your beautiful vineyard in the early evening with the sun setting in the background while enjoying your exquisitely made vintage Cabernet after all!

THANK YOU!

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