



Winery and Vineyard Development Tools

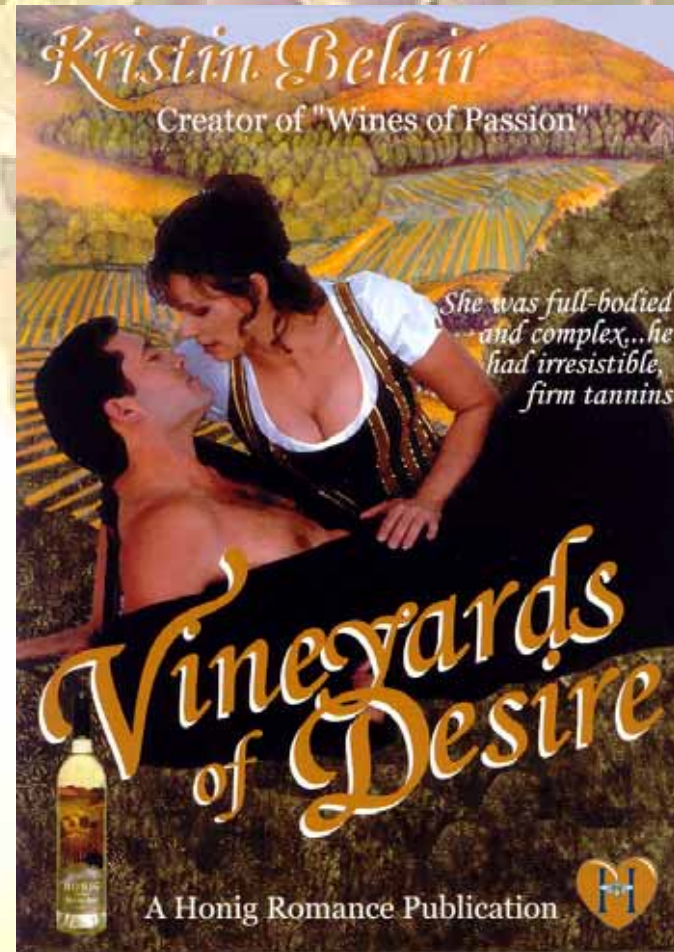
Why Build the Tools?

By

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Ancient History

- One of Agricultures oldest and most romantic industries



Ancient History



- **Mesopotamians 6,000 BC**
- **Egyptian Pharaohs were buried with wine**
- **Dionysus the Greek god of fertility, wine, and the pleasures of civilization.**
- **Roman Empire - Production of wine spread throughout Europe**

Wine & Grapes Before 1950

- **Most States had a large grape and wine industry before 1919.**
- **Prohibition ended the production of wine in the United States from 1919 to 1933.**
- **Herbicide use starting in 1940's caused widespread destruction of grape vines.**
- **Change in farming to a corn & soybean rotation in the Midwest.**



Re-Birth of Grape and Wine Production in Rural America

- **Starting in the 1960's**
 - **Slow growth outside of California Wine County**
 - **Oregon, Washington**
 - **Virginia, New York**
 - **Missouri**
- **Explosive Growth in the 1990's in All States.**

U.S. Wine Production

Year	Wine Production (million gallons)	Percent Change (1991 to 2005)	Retail Value (billion)	Percent Change (1991 to 2005)
2005	703	50.9%	\$26.0	138.5%
2000	570		\$19.3	
1995	464		\$12.2	
1991	466		\$10.9	

New Wineries

Region	1998	2006	% Change
West	1433	2871	50.1%
Midwest	352	811	56.6%
Eastern	444	786	43.5%
Total	2229	4468	50.1%

Development Cost

- **\$10,000 per acre for a vineyard**
 - Payback Time 7-10 Years
- **\$50,000 per 1,000 gallons of capacity for a Winery**
 - Payback Time 6-8 Years
 - 20,000 gallons of wine = \$1 Million for Equipment. Plus Building and Land.

Description of People starting Vineyards and/or Wineries

- **Has a very good day job.**
- **College Educated.**
- **Has some chemistry knowledge.**
- **Wanting to re-connect to Nature.**
- **Looking for a change in life style.**
- **Is not a farmer.**
- **Has never grown grapes, made or sold wine or worked in a vineyard or winery.**

Why Build Planning Tools?

- **Educate the Investor**
- **Improve the change of business success**
- **Increase Economic Development in Rural Areas.**
- **Fill a need for useful tools**



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Total Wine Package (4,081)

Exploring the Opportunity (9:22)

Growing grapes and making wine is one of agriculture's oldest and most romantic industries. Success requires **persistence, patience, passion and money**. The wine industry is enjoying a resurgence of interest and many like you are hoping to realize your dream. But those who are reaping the rewards will tell you that success depends on **doing your homework before you jump in.**



Tools Created Total Wine Package

Behind the Scenes (5:46)

Creating a good bottle of wine is both an art and a science—a venture that begins with looking at the Total Wine Package—knowing your goals and understanding what takes place behind the scenes. Once you have **identified your goals**, plan to spend much of your initial time **learning the science of viticulture.**



Tools Created Total Wine Package

Grow the Business, Selling the Package (9:30)

The key to success in developing a winery business in the Midwest is to plan your marketing strategy. How do you distinguish your winery from others? How can you make your winery unique?



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Frequently Asked Questions (15:37)

Information is key to planning a new business and most people start by talking to others in the industry. Here are some of **the most frequently asked questions and answers.**

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Winery and Vineyard Feasibility Workbooks

Starting a vineyard or building a winery **requires a great deal of money**. Just how much money will depend on the wants and needs of the business and the **timing of future income**.

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Cost of Establishing a Vineyard (2,258)

- The Cost to Establish a Vineyard workbook is designed to **report all the income and expense of a one-acre vineyard for up to 13 years.**

There are three different vineyard workbooks, each for a different trellis style. All populated with data.

- High Trellis
- Geneva Double Curtain
- Vertical Shoot Position

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Winery Ten Year Winery Financial Planning Workbook (1553)

- Used for any size of a winery, the program has flexible options for sources of capital, equipment, marketing, staffing, fixed and variable expenses and sales projections. Income sources are the average price per bottle of wine sold with three options to sell wine; In the Winery, Retail or Wholesale.

Funding Provided by

- **The Leopold Center for Sustainable Agriculture** (www.leopold.iastate.edu)
- **Value Added Agriculture Program, Iowa State University**
(www.extension.iastate.edu/valueaddedag)
- **Agricultural Marketing Resource Center**
(www.AgMRC.org)

Tools Available on the Web

- www.AgMRC.org
 - Commodities & Products
 - Fruits
 - Wine
 - General Wine Industry
 - Total Wine Package Video
 - Winery and Vineyard
 - Feasibility Workbooks



Questions

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