







Panelists: Chris Bertsche – Coehlo Winery

Chris Graves – Naumes Crush and Fermentation

Graham Markel – Buona Notte

Ben Casteel – Bethel Heights Vineyard

Tim Hanni – Wine Business Education

Moderator: Andrew Kirkland – Ruby Vineyard and Winery







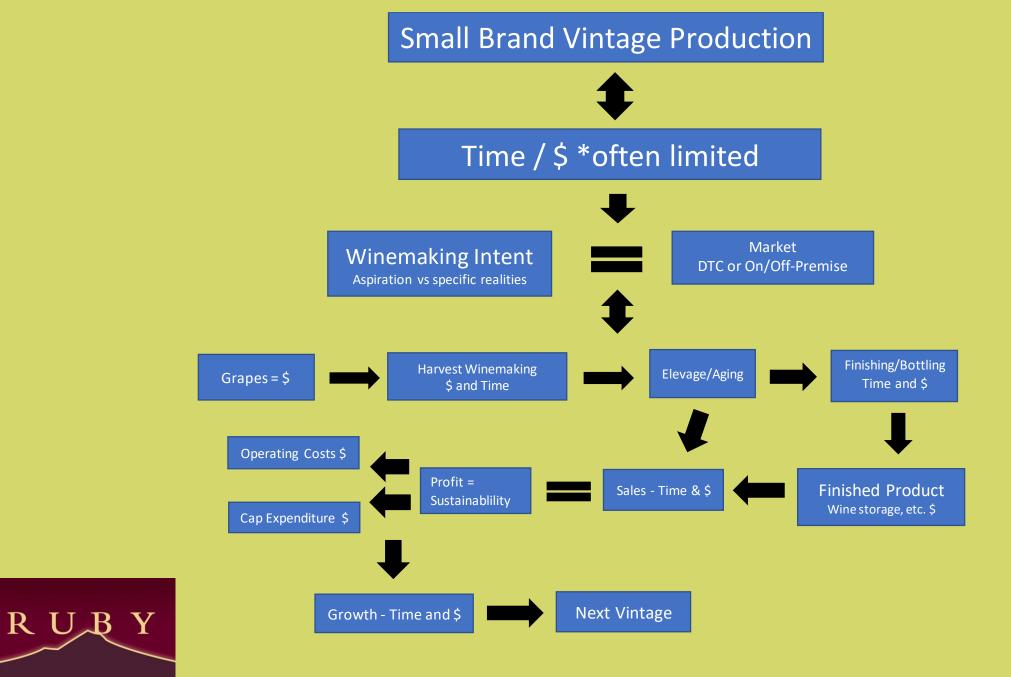


TRADE SHOW PRODUCER



- 68% of Small Brands in Oregon are <5000 cases; this percentage is growing.
- Small brand wines are made for all segments of the market, across price points, on and off premise, and DTC.
- Small brands represent all growing regions in Oregon, many different varietals, and stylistic intents.
- Small brand wines are produced in different types of bonded facilities. Including: small wineries, shared production spaces such as Alternating Proprietorships, and in Custom Crush.
- Small brands, particularly in the start up phase, are often run by one or two individuals or very small teams. Meaning people are often wearing many hats in the business.
- Growing and making wine is a \$ and Time intensive business for wineries of any size.











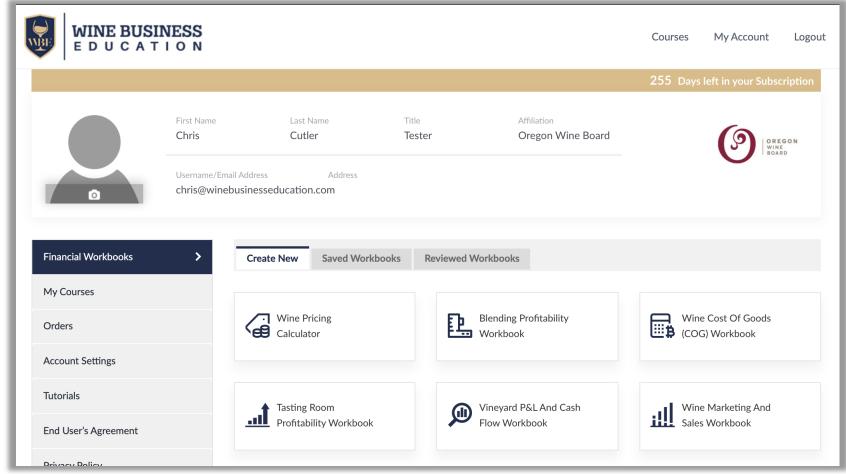


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## FREE for all Oregon Wineries!







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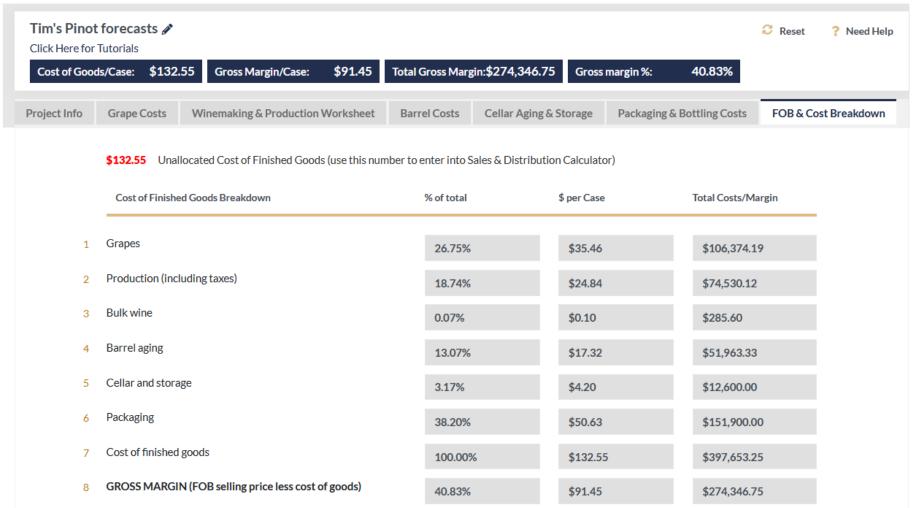
#### Simplify your finances and gain control of your profitability.

- Easy to use and tutorials are available for each workbook.
- Once a workbook is completed clone for alternate scenarios or for next year's forecasts.
- Work in concert with your CPA or bookkeeper to create actuals and simplify closing your books.







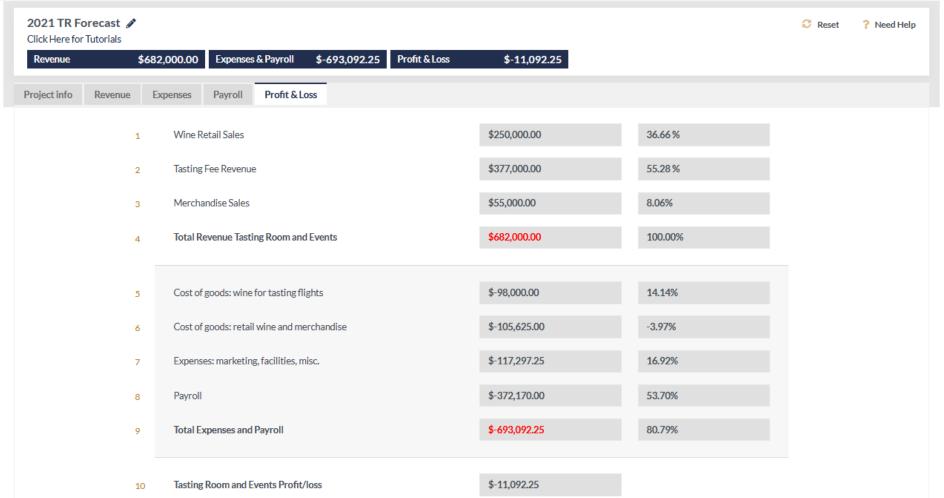






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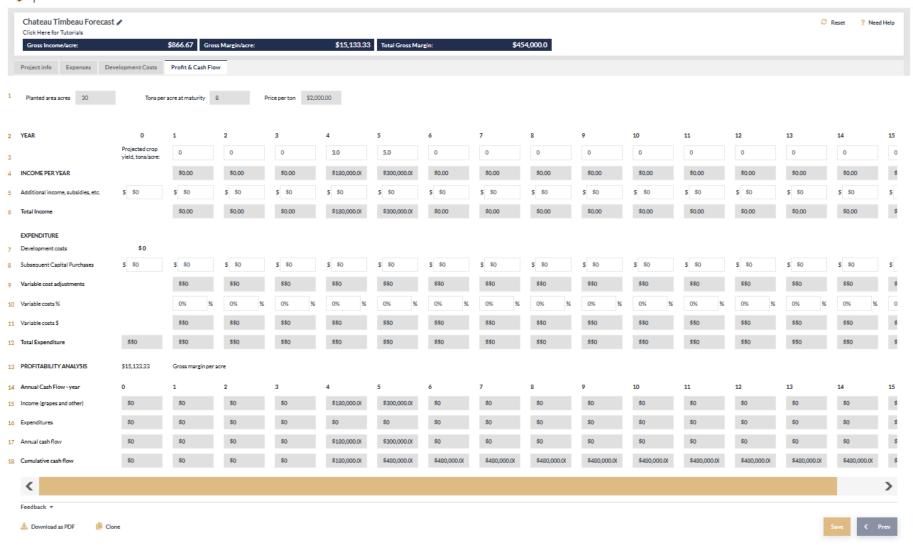
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### To Learn More, Request Access







## WINE BUSINESS EDUCATION PROFIT PLANNERS

Linking business decisions to your bottom line

The Profit Planner from <u>Wine Business Education</u> is a web-based tool designed to empower small vineyards and wineries to make business decisions – from pruning to pricing to packaging to personnel – that positively impact their bottom line.

Thanks to a partnership between Wine Business Education and the Oregon Wine Board, the Profit Planner can be accessed free of charge by employees of Oregon wineries and vineyards (a \$99/year value). If you don't have an account, click here to request access and take advantage of this sponsorship.

#### LOG IN

First time user? Request access.

Users registered prior to January 2020 <u>see</u> these instructions to access your new account





Visit our booth for details and a demo...

## Next to the OWB booth in the lobby





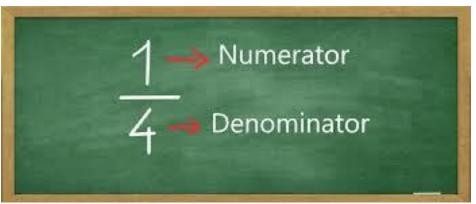


## COG's – the 30,000-foot view





## Cost of Goods - \$/Gal -



- Price/Ton

Gallons extracted





## The Foundation of the decision process...

\$/Ton	Gal/Ton	Cost/Gal	
\$3,500	140	\$ 25.00	
\$3,500	160	\$ 21.88	
\$3,500	180	\$ 19.44	

\$/Ton	Gal/Ton	Cost/Gal	
\$2,500	140	\$	17.86
\$2,500	160	\$	15.63
\$2,500	180	\$	13.89









## Small Winery Solutions

Achris Graves, Whamaker, Noumes Crush and Fermentation





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- Firstly, and perhaps most importantly, the winery/brand-owners must have a clear business plan, with an adequate plan for sales and marketing
  - Most in this room would agree sales is the most difficult part
  - Intent, Style of wines to produce (including image, packaging), and Quantities to sell
  - Strategy for sales (which can be accomplished for your area/plan/outlets)
  - CASHFLOW PLAN (absolutely critical) (such an incredibly capital-intensive business)
  - Develop budget for wine once the whole business plan is in place
  - If developing a winery/winemaking plan, good advice would be to start conservatively, if building a cellar stay full, and build up (planned or unplanned) as needed. Transition and expansion can come as demand/production increases, intent/programs change, attempt to stay flexible and take in steps.
    - TRY TO BE FLEXIBLE, ADAPTABLE





- Beginning a winery/wine brand
  - Custom crush can be an invaluable option for both start-ups or operating wineries of any size/type – but specific to small winery solutions
    - Will pay a premium for the services of CC, but certainly better for cashflow compared to building and/or capital expense of all the equipment necessary (big consideration)
      - As well as other benefits mentioned later
    - CC allows <u>anyone</u> to produce a wine brand
    - Wineries with extra capacity may offer custom crush services (perhaps growing) to fill capacity and generate revenues/cashflow





#### Custom Crush

- Many winemaking facilities offer custom crush services that can be very useful for both startup wineries/brands, or operating wineries in a pinch (capacity, stylistic intent, etc.)
- Utilizing and contracting out the custom crush winery's equipment, as well as labor/expertise, licensing, etc., means anyone can start a wine brand, and can also serve as stepping-stones as a winery builds, expands, and works to generate cashflow
- Many options available and examples utilizing custom crush for cost savings/cashflow management, stylistic decisions (intent), flexibility/versatility in winemaking, and more





- Custom Crush Services and Options
  - Baby steps for startup, options for flexibility
    - Can utilize a custom crush facility for the harvest processing, saving major capital expenses (equipment only needed 2-3mo of the year)
      - One might only purchase tanks, pumps, bins, etc., avoiding processing equipment for a time and build up
      - Juice and ship
        - Deliver fruit to CC facility to press, clarify, then transport juice to your facility to finish out
        - May be better for wine quality vs. grape transport (long distance, machine-harvested, in particular if there's a potential smoke-impact, etc.)
      - · Crush and ship
        - Deliver fruit to CC winery for sorting, destemming, crushing, etc., to bins then transport to your facility for fermentation and finish out
        - Perhaps "problems" with your equipment during harvest??? CC may be able to save the day.. (perhaps keep in the back pocket)





- Custom Crush Services and Options
  - Baby steps for startup, options for flexibility
    - Bottling/packaging services
      - May purchase bulk wine, have delivered to CC facility for finishing/bottling (may also offer kegging, canning, bag-in-box, other novel wine packaging)
      - Mobile bottling/packaging services can also come to you (assuming winery can "fit" it)
    - Bulking out
      - Growers with fruit (excess?) may choose to "bulk out" (perhaps low-input winemaking), and sell on bulk market
      - Minimums may be issue. And consideration of strength of bulk market (risks)
    - Cold Storage
      - Cold storage facilities (some CC facilities like Naumes Crush) incredibly useful for harvested grape storage, either for shipping or buffer timing for winery receiving
      - Could be incredibly useful for small wineries with limited capacity (white WCP ???)
      - May also store juice cold, machine-harvested or crushed grapes ((very) cold soak)
    - Lab services
    - Expertise, consultation, networking (assistance sourcing grapes?)
    - And of course full-service, grape to packaging





- Custom Crush Managing COGs
  - Winemaking intent (assuming CC facility offers options some may not)
    - Barrels and working barrels high COG
    - Any additional high-input winemaking (Saignee, micro-lots, press cuts, etc.) (labor and resources)
    - Tank only, oak adjunct if/where possible can be significantly cheaper (micro-ox?)
    - Based on your winemaking intent, find the proper CC fit
  - Lot sizes
    - Minimum quantities can be limiting factor in CC facilities (NCF generally 2-ton min)
    - Lot sizes major contributor to pricing (2T, 5T, 10T, 20T, etc)- but obvious challenges for client based on demand, cashflow





- Custom Crush Final Comments
  - Proper fit between CC and client is key
    - Proximity to vineyard sites, finished goods storage, offices, etc.
    - Intent and stylistic desires workable?
    - COG's, general pricing, lot sizes (and again, intent)
    - Expertise offered/needed? What might be offered
      - Winemaking
      - Viticulture (not typical) (at least assistance sourcing fruit?)
      - Sales, marketing, compliance, etc.?
    - General logistics
      - Capacity of CC
      - Timing and flexibility of grape receiving can be a biggie
      - Commitments can be flexible or not (big issue in low-yield years or when brand needs flexibility)
        - Most CC require good-faith estimates for harvest by Summer (if not earlier).
      - Types of equipment, general sanitation, quality assurance, methods, etc.
    - Personality of folks working together





Custom Crush – Final Comments

Thank you, from the entire Naumes Crush team

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Please reach out any time for any information at all. We are happy to help.





Graham Markel
Winemaker/ Owner Buonna Notte













#### Ben Casteel

Winemaker and Partner at Bethel Heights Vineyard







### Thank you, to our panelists and attendees!

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