



Starting a Winery

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Event Storage



Presentation Outline

- What does it take to start a winery?
- Starting a winery for \$250
- Minimum Requirements Minnesota Farm Winery
- Garvin Heights Vineyards History
- GHV Future
- GHV Winery Design
 - Tasting Room & Event Center
 - Wine Production Area
- GHV Winery Cost Review

What does it take to start a winery?

- ▶ Strong interest in Grapes, Wine, and People
- ▶ Vineyards – not really – others get by
- ▶ Time
- ▶ Business Skills
 - Attention to detail
 - Retail experience
- ▶ Money
 - Savings – Retirement funds - age 59.5+
 - Loans – Home equity – Family – Bank
 - IRS
 - Investors – must be disclosed to TTB
- ▶ Insurance: Liability
- ▶ Licenses: Federal (TTB) & State
- ▶ 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

Source: Todd Steiner
Ohio State University

Starting a winery for \$250

- TTB (Feds) bond \$100
- TTB (Feds) license Free!
 - Can make wine for sale
- MN bond \$100
- Liability insurance ???
- MN Farm winery application \$50
 - Can sell wine in Minnesota
- Total initial and annual cost \$250

Get licenses earlier rather than later!

Minimum Requirements

Minnesota Farm Winery

- ▶ Own three acre farm!
- ▶ A legal description
- ▶ A location to make/store wine
 - Could be in house ~ Outbuilding
 - Must be locked
- ▶ Legal entity
 - Partnership ~ Sole-proprietorship ~ LLC
- ▶ Winemaking experience & equipment
 - 200 gallons per year for family use
 - Small press ~ Carboys
- ▶ Liability Insurance
- ▶ Licenses allow wine to be sold!

I. Garvin Heights Vineyards

- ▶ Owned land since 1985
 - House with 20 acres – 3 acres for grapes
 - Winona Township → forcefully annexed into City
 - Started planting grapes and fruit 1986
 - 1989 built 24' x 40' barn for 4H sheep ~ storage
 - Visited wineries in USA & Europe
- ▶ Joined MGGA
 - Expanded with better grape varieties (too many varieties)
 - Made grape wine since ~ 1995
 - Purchased equipment and improved quality
 - TTB presentation at Cold Climate Grape Conference
- ▶ Vernon County WI grape growers group
- ▶ Peggy Backup's vineyard 2005-2006
- ▶ Upper Mississippi River Valley AVA group
- ▶ IA & U of MN shortcourses
- ▶ Obtained a home equity loan – line of credit

II. Garvin Heights Vineyards

- ▶ TTB (Fed) Winery Permit 2006
 - Formed LLC ~ MN Corp. Farm ~ Fed & State tax numbers
 - Surveyed a winery site (legal description)
 - Started winery design process
 - Checked with City of Winona
 - Covered by MN Farm Winery law
 - No additional permit/license required
 - Got commitment to extend sewer line to winery
 - Not able to license non-existing building
 - Shifted legal description
 - Barn built in 1989 used for 2005 production
 - Joined WineAmerica ~ obtained bond
 - John Falconer reviewed application
 - Summer 2006 applied & obtained TTB permit
 - Less than 2 months
 - LLC paperwork very helpful

III. Garvin Heights Vineyards

- ▶ September 2006 – existing barn
 - First commercial vintage
 - Purchased grapes from one other grower
 - >200 gallons of grape wine
- ▶ October 2006 – May 2007 - construction
 - Completed building permit process
 - Started building construction
 - Started search for winery insurance – not State Farm
 - Jan 2007 Farm Bureau insurance for winery building
 - Winter – Spring 2007 finished winery interior
 - Spring 2007 finished concrete & parking
- ▶ Winter 2007 made additional wine
 - California frozen juice
 - Raspberry & Cranberry juice concentrate
 - Purchased 500 liter self contained SS tank - 110 v

IV. Garvin Heights Vineyards

▶ Spring 2007

- Applied to transfer TTB license to new winery
- Obtained winery liability insurance
 - Western Agricultural Insurance (FB)
- Wineries Unlimited Trade Show PA
 - Purchased 4-240 gallon SS tanks
 - Manual filler unit
 - Hanna lab equipment
- Applied for TTB approval of labels via WineAmerica
- Obtained bond for MN Farm Winery – WineAmerica
- Applied for and obtained MN Farm Winery License
- Received City of Winona occupancy permit
- Moved 2006 wine to new building
- Started bottling – printed own labels
- Dell computer - Primera LX 400 & HP printer

V. Garvin Heights Vineyards

- June 2007
 - Soft Openings
 - Professional Meeting
 - Neighborhood
 - Church Members – Dedication
 - Official Opening – Mid-Summer’s Eve
 - Bonfire rained out
 - Cash box – wine only - even dollar pricing
 - Self printed brochure – Winona Visitors Center
 - Limited wine selection
 - Bottled and labeled to keep up with sales

VI. Garvin Heights Vineyards

- July – August 2007
 - Quickbooks Point of Sales Software & Hardware
 - First Artists event
 - Added wines when available
 - Sold out of limited production wines
 - Purchased 4-1500 liter SS Variable Capacity tanks
 - September 2007
 - Purchased 120 gallon press & pump
 - Closed winery for harvest
- February 15, 2008
- Grapes from GHV & 4 growers MN & WI

VII. Garvin Heights Vineyards

- ▶ Thanksgiving – Christmas 2007
 - Started taking credit cards
 - Quickbooks Merchant Service – Internet
- ▶ Added merchandise
 - Epic & Wine Enthusiast products
 - Custom shirts
 - Locally made baskets & decorative artwork
 - Shipping & gift boxes
- ▶ Christmas decorations
- ▶ Radio advertising
 - Shopper show discounts
 - New source of customers

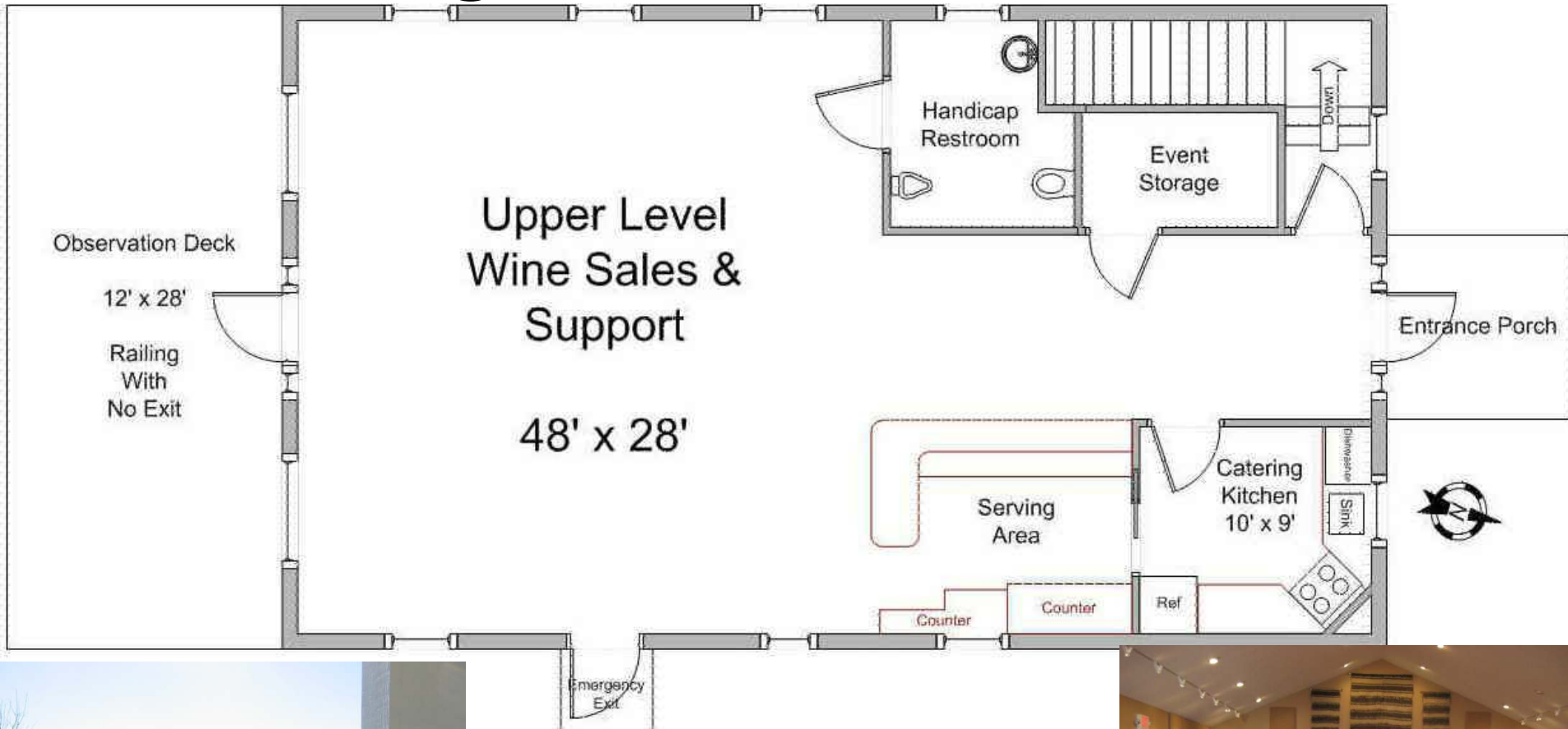
GHV Future

- ▶ Marketing
 - Professional quality brochure – visitors center
 - Minnesota Grown
 - Twin Cities Food & Winery Experience: 23- 24 February
 - Local hotel room ad (Holiday Inn)
 - Bluff County Studio Art tour ad: 25-27 April
- ▶ Selling cases versus bottles
 - Credit cards
 - Case discounts
- ▶ Retail Sales
 - Open April 25 thru Christmas
 - Winery events – St. Urho Day: March 16
 - Internet sales
- ▶ Wholesaling - self distribution
 - Restaurants
 - Liquor store

GHV Winery Tasting Room & Event Center

- Sell a Million dollar view
- Large deck with vineyard views
- A showplace – space for art display & sales
- Energy efficient
- Space for outdoor events
- Handicap Accessible
- Commercial Building

Tasting Room & Event Center



Starting a Winery

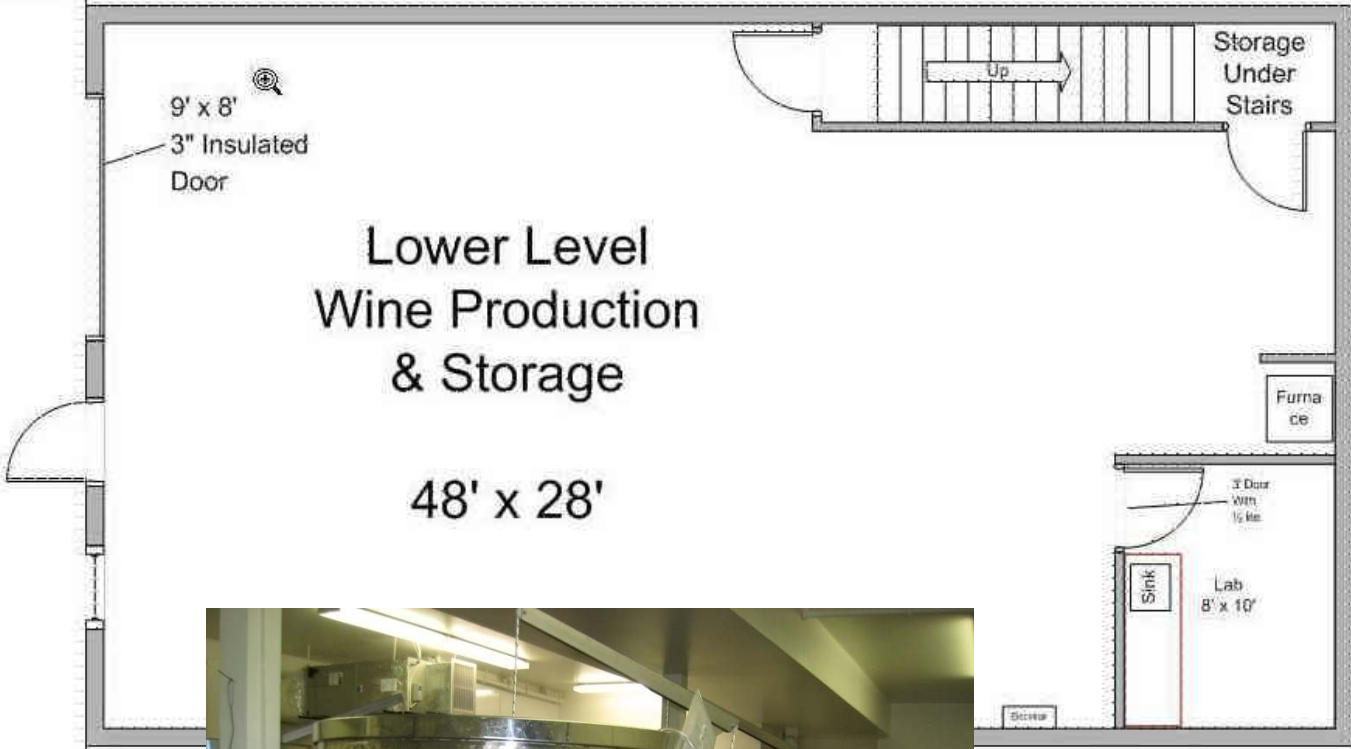


GHV Wine Production Area

- 48' x 28' less 10" walls & support services
- 24' x 29' outdoor crushing pad deck covered
- Goal of 5,000 gallons per year
- Separate lab/test room
- Painted concrete walls and floor – floor drains
- Forced air ventilation system – fermentation
- 200 amp 220v 1-phase electric service

GHV Wine Production Area

Crushing Pad
24' x 29'



What costs were included?

▶ Included:

- Establishment of legal entity - LLC
- Building with city sewer hookup - sign
- Equipment for 2,000 gallon capacity
- Tasting room with event tables – shelving – POS
- Initial inventory thru December 2007

▶ Not included:

- Land – already owned
- Well – house has 8” - 600’ well
- Grape vineyards with equipment and trellises
- Home winemaking equipment
- Own Labor – Interior finish work – painting – operation
- Telephone service
- 3-phase electric service

What did GHV winery cost?

• Capital (Building – Equipment)	\$372,500
• Expenses	\$ 25,700
• Tasting Room & Wine Inventory	\$ 27,500
•	=====
• TOTAL (Thru Dec 2007)	\$425,700

Is there a winery in your future?

- Long term investment!
 - How long?
 - Alternative use of building
- How can a winery be financed?
 - Self and/or family
 - Investor group
- A winery is a lifestyle issue!
 - More than a job
 - Limited free weekends
- Transition plan!

GARVIN HEIGHTS

Vineyards

- ▶ Linda & Marvin Seppanen
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- ▶ Wine Tasting – Vineyard & Winery Tours
- ▶ Open weekend afternoons April - Christmas