

Starting a Winery

Panel Discussion Moderated by Paul M. Bonarrigo, featuring Patrick and Julie Whitehead, Amy Sterling and Howard Davies, Susan and Ed Auler

You need good credit!

Invest in your education. Grayson County College and Texas Tech are both good. Seminars and online courses are also available. Subscribe to Wine Business Monthly. Even if you will be hiring a winemaker you need to understand the process of winemaking on a commercial scale. At some point in your education, an internship is highly recommended. If you are growing grapes, hiring a consultant is highly recommended.

Decide if you are going to have only a winery, a winery and tasting room, or winery, tasting room and vineyard.

Where is your business going to be located? Being in a rural area will present different challenges and opportunities than encountered in urban areas. If you are going to grow grapes, don't grow where you live, live where you grow (quoted from Charles McKinney).

If you are not going to grow your own grapes, or you are going to buy grapes to supplement your own, develop good relationships with growers. Sign realistic contracts that won't leave a bad taste in either party's mouth at the end of the growing season. Visit growers' vineyards throughout the season to make sure they are growing good quality fruit. Good wine starts with good grapes.

Figure out what your market is going to be. Is it primarily direct to consumer driven or wholesale? Unless you plan on making tens of thousands of gallons, you won't have the economies of scale to compete selling strictly wholesale through distribution.

Visit wineries and let people know your plans and see if they will give you a tour of their facility but don't take advantage of their time. Visit as many tasting rooms as you can and take note of what you like and don't like, as a customer.

Educate yourself about TTB and TABC laws. When we started our winery in 2007, the TABC code book was about 100 pages. It's now over 300. Hire a lawyer to do the permit paperwork for you if you have it in the budget. It is also a good idea to have a lawyer on retainer to answer questions that inevitably come up during the life of the business.

Educate yourself about TCEQ requirements for grape and wine processing wastewater, and water use requirements where your customers will have water exposure, including hand washing, drinking or food service areas. If you are on well water, the regulations are very strict and onerous. If you are on city water, you will have to dechlorinate the water that will be used to process grapes and wine in order to avoid TCA issues.

Figure out gallon capacity you want to have by year 10 and build your winery to those specifications. Are any of those tanks going to be outside? Make sure your inside and outside slabs are built to accommodate the weight of those tanks when full.

Make sure you know the physical dimensions of the crush pad equipment so that you can plan the needed floor space and roof height. Having a covered (not enclosed) crush pad is essential to avoid cooking crush pad workers and equipment in the summer sun. In addition to processing equipment

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(crusher/destemmer, press, maybe a sorting table or elevator), you will need a 4' x 4' floor scale, phase converter and a forklift. Plan a place for storing processing equipment inside when not in use. Plan on a protected spot for the wine chiller.

In addition to tank space inside the winery, take into consideration the footprint of all the small equipment and supplies as well, such as filter housings, pumps, refrigeration for yeasts, containers for tartaric acid, lab space, etc. Decide if you will need a catwalk. Don't forget to add plumbing, water heater and floor drain. Make sure the floor drain is properly engineered. Use a commercial construction company.

Even if you are planning to send your samples to a lab for analysis, you still need to be able to run your own pH and SO₂ tests. Having an eubullimeter, titrator, meters, scales, hydrometer, etc. takes up room. Plan on some good stainless-steel worktables and cabinets for storage. Peg wall boards are great for hanging clamps and the other myriad of fittings to which you will need quick and easy access. Use wall hooks for keeping hoses off the ground.

Even if you plan to use a mobile bottling line, plan on having backup equipment for small batches or emergency needs. The mobile bottling line may not be available when you need it.

Include a climate-controlled building large enough for case storage. If you plan on making 10,000 cases a year, plan space to store at least that many cases.

Consider barrel room vs. winery air conditioning needs. Wineries need to be cold and dry; barrel rooms need to be cold & humid. In either case, you can't over-insulate.

Use LED lighting to keep heat and energy costs down. Avoid windows if you can. You want to limit light exposure on the wine.

If you are going to have a tasting room, keep in mind that your guests care as much about their experience as the quality of your wine. This does not mean you have to have the perfect tasting room, but it does need to be clean and comfortable in appearance. An attentive, friendly and knowledgeable tasting room staff is essential. Your tasting room staff needs to be well trained and TABC certified. Most first-time guests come in with at least 20 questions. Make sure your staff knows the answer to all of them.

Plan for how you are going to serve guests. Will they stand at your bar or will you have table service, or a mix of both? Decide the length of your bar and in what shape it will be: straight, v-shaped, curved, etc. Decide how many people you want to seat. Make sure you have enough parking for regular business and special events. Ease of access and ambiance from the parking lot to your front door is important.

Outside, covered patio seating is a must. Build according to weather patterns. You don't want people sitting in a wind tunnel or with the sun beating down on them.

If you will be providing music of any kind, you will have to pay for music licensing. Provide free public wi-fi.

You need to make water and some food available since people will be consuming alcohol. The food doesn't have to be fancy. At a minimum, offer pre-packaged snacks. If you want your food sales to supplement your tasting room income, plan space for food preparation. Plan for a kitchen if you want to have more food options, especially if you are in a rural area. Check with the Department of Health for guidance.

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Everyone wants to know your story. Figure out what that is and try to work it into your winery theme. Howard and I met racing motorcycles. One of our signature red blends is called “Apex”, from racing terminology. Howard has restored a couple of our bikes, which are displayed on our patio.

Having a wine club is essential. For us, wine club members represent nearly 50% of our sales. Loyal customers not only receive a subscription-based order 2 or 3 times a year, but they will be your most frequent visitors and will make purchases during those visits. Make them feel special because they are.