

Online Cost of Goods Workbook Tutorial for the 2019 IWBI

The purpose of this workbook is guide students participating in the Intercollegiate Wine Business Invitational through the wine supply chain and aid in understanding the key cost decisions for profitable wine production. **Instructions for logging into the online version, which does all of the calculations automatically as you enter the costs and provides a Profit and Loss summary, will be provided separately for each team.**


Whenever possible use realistic and sustainable numbers (not just the lowest you can find!) when researching the individual line items for input. You can reach out to wineries, winemakers, or custom crush facilities in the area of production for your wine for help in researching the best number for the individual costs. Research costs – and make sure to allocate portions to your team members to come up with the REQUIRED costs. Make sure that key costs and production elements are also reflected in your business plan.

We recommend that you designate one person to be responsible for inputting and maintaining the online workbook. This form can be emailed, or printed and handed out, so that everyone can participate in researching the appropriate input amounts. Here is a partial list of some of the key numbers you will need to research and find to complete your financial workbook:

1. Cost per ton for grape variety(ies) you are using that corresponds to the legally defined AVA (American Viticultural Area) that will be stated as the origin of the grapes on your label.
2. How many cases of wine can you get from one ton of grapes? This number needs to correspond to wine quality, style and type of grapes you use).
3. Production: how much, on a PER TON basis, does it cost to process your grapes into wine?
4. How much is the Federal Excise Tax for a gallon of wine?
5. How much does it cost to store wine in tanks (after production but before bottling) and case goods (after the wine is bottled)?
6. Cost of different barrel options for oak aging (if wine is oak aged).
7. Packaging costs for bottles, closures (corks, screwcaps, etc.).
8. And lots more!

When navigating on the online version it is suggested that you use the TAB function to enter each number and navigate around the page. We hope you enjoy this process and take advantage of the opportunity to learn the key decisions and costs that go into making a bottle of wine!

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Winery Cost of Goods Workbook
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Cost of Goods/Case:	\$0.00	Gross Margin/Case:	\$0.00	Total Gross Margin:	\$0.00	Gross margin %:	0.00%
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Project Info	Grape Costs	Winemaking & Production Worksheet	Barrel Costs	Cellar Aging & Storage	Packaging & Bottling Costs	FOB & Cost Breakdown
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Wine Name or ID <input type="text" value="Wine name or ID"/>	Date <input type="text" value="Date"/>
Your Name <input type="text" value="Your name"/>	Winery Name <input type="text" value="Winery Name"/>

Enter Case Production of this wine	<input type="text" value="No. of cases"/>	Enter FOB/ex-cellars winery selling (or transfer to winery tasting room or DTC sales) price per case	\$ <input type="text" value="\$0"/>
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<table style="width: 100%; border-collapse: collapse;"> <tr><td>FOB winery sales price per Case :</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Total Revenue :</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Cost of Goods (COG) per Case :</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Gross Margin per Case :</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Gross Margin % :</td><td style="text-align: right;">0.00%</td></tr> </table>	FOB winery sales price per Case :	\$0.00	Total Revenue :	\$0.00	Cost of Goods (COG) per Case :	\$0.00	Gross Margin per Case :	\$0.00	Gross Margin % :	0.00%	<table style="width: 100%; border-collapse: collapse;"> <tr><td>Auto-calculated Estimated Retail Selling Price from FOB above:</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Tonnage of Grapes Required :</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Total Cost Grapes :</td><td style="text-align: right;">\$0.00</td></tr> <tr><td>Total Gross Margin :</td><td style="text-align: right;">\$0.00</td></tr> </table>	Auto-calculated Estimated Retail Selling Price from FOB above:	\$0.00	Tonnage of Grapes Required :	\$0.00	Total Cost Grapes :	\$0.00	Total Gross Margin :	\$0.00
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Project Info Tab

1. Workbook Title. Click on Pencil Icon next to Edit Workbook Name – please include your team ID: MSU01 for example (top left of page).
2. Full instructions, Industry Resources and FAQs – live link to support page.
3. Click on TABS to preview content and navigate through the workbook.
4. Enter Wine Name, Date, Your Name and Winery Name
5. Enter Case Production for this one wine and expected FOB/ex-cellars price (for example.
6. You will begin to see values in top information bar as you enter information (Cost of Goods, Gross Margin, etc.).
7. Click Save or Next to continue to Grape Costs worksheet

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Cost of Goods/Case: \$0.00	Gross Margin/Case: \$0.00	Total Gross Margin: \$0.00	Gross margin %: 0.00%
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Project Info	Grape Costs	Winemaking & Production Worksheet	Barrel Costs	Cellar Aging & Storage	Packaging & Bottling Costs	FOB & Cost Breakdown
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Total cost of grapes/ton:\$0

Select Varietal from Pulldown	Enter cost per FULL ton:	Variety % of blend (must = 100%):	Allocated grape cost as % of blend:
Cabernet Sauvignon	\$/ton	0%	\$0

TOTAL COST PER TON \$0

Reference: Benchmark Costs (USD per ton) by Region

Ultra Premium Single Vineyard	Ultra Premium AVA	Premium AVA	Premium County	County	State	Gr.
\$12000	\$8000	\$5000	\$4000	\$2000	\$800	

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Grape Costs Calculator

1. Select a Varietal (type of grape; Merlot, Riesling, etc.) from pulldown list in column 1.
 - a. If you are using a grape variety not listed in the pulldown leave the field SELECT VARIETY and enter the name of the grape variety you are using in the GRAPE SOURCE NOTES to the far right of the row.
2. You will see current benchmark values, provided for reference of typical range of prices, in subsequent fields. Research the actual costs using grape crush reports or by calling wineries and/or grape growers in the region of production for your wine.
3. Enter your full cost per ton, then the percentage of total blend (or 100% if wine is from single variety – Chardonnay for example - that wine accounts for. You may also add notes, such as name of source, or other details about that grape you may want to remember.
4. For a blend you can add as many varieties, and their associated cost per ton and percentages, to get an overall Cost Per Ton. Make sure the value in the third column totals 100% (and is displayed in GREEN)
5. If calculations are not being completed or not displaying properly, click SAVE (lower right of page) to correct.
6. Click Next or the tab at the top to continue to **Winemaking & Production Worksheet**

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Cost of Goods/Case: **\$0.00** Gross Margin/Case: **\$0.00** Total Gross Margin: **\$0.00** Gross margin %: **0.00%**

Project Info | Grape Costs | **Winemaking & Production Worksheet** | Barrel Costs | Cellar Aging & Storage | Packaging & Bottling Costs | FOB & Cost Breakdown

Enter Values	Totals	
1	\$ 0.00	Grape cost per ton (from page previous page)
2	100 %	Percentage of full production wine (100% = NO bulk wine used)
3	%	Percentage bulk/finished wine if used (up to 99%, enter bulk wine cost per gallon line 17) <small>NOTE: for 'bulk wine only' project you can also use the BLENDING CALCULATOR.</small>
4		Calculation of grape needs and costs based on average cost/ton, % of production and press conversion: Enter wine press conversion factor (1 ton of fruit = xx cases of wine)
5	0.00	Grape Tons needed (case production divided by press yield)
6	\$0.00	Total Cost of Grapes
7	\$0.00	Reference Cost of Grapes per case (2.38 gallons) of finished wine
8	\$ 0.00	Processing and production costs (per ton basis) not including labor or overhead
9	\$ 0.00	OPTIONAL: Additional prefermentation handling, treatments of the grapes and/or must per ton
10	\$ 0.00	OPTIONAL: Additional one-time fixed prefermentation costs: supplies or equipment
11	\$ 0.00	REQUIRED: Winemaking: fermentation and production per ton (excluding aging and cellaring)
12	\$ 0.00	OPTIONAL: Exceptional production costs not included above: equipment, supplies, treatments
13	\$ 0.00	OPTIONAL: Lab work and analysis (pre-, during & post-ferm) total production OR use /ton basis next line
14	\$ 0.00	OPTIONAL: Lab work and analysis (pre-, during & post-ferm) per ton processed estimate
15	\$0.00	Total production cost per ton
16	\$0.00	Total cost of full production wine (as % of full production vs. bulk)
17	\$ 0.00	Total per-case cost production
18	0.00	Bulk/Fermented wine cost per gallon (enter \$/gallon cost of material)
19	\$0.00	Bulk/Fermented wine required - gallons in blend (2.38 gallons per case)
20	\$0.00	Bulk/Fermented wine total cost
21	\$ 0.00	Total per-case cost of Bulk/Fermented wine
22	\$0.00	State and Federal Excise Taxes per gallon (displays times 2.38 gallons/case) CLICK FOR TTB TAX DETAILS
23	\$0.00	Total cost including grapes, production, Bulk/Fermented wine and taxes
24	\$0.00	Total cost of wine per case of Fermented 12/750 ml bottles

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Winemaking & Production Worksheet

9. Required fields:
 - a. Line 2: use the 100% number (no bulk wine) for your project
 - b. Line 3: conversion factor is the number of CASES of wine you can expect from a ton of grapes. This number can vary from 50-70 cases per ton depending on the type of grape, style of wine and pressure applied at the point of pressing the grapes to extract the juice.
 - c. Line 5: **REQUIRED: Winemaking: fermentation and production per ton (excluding aging and cellaring)**
 - d. State and Federal Excise Taxes per Gallon
10. If calculations are not being completed or not displaying properly, click SAVE to fix it
11. Click Next or the tab at the top to continue to **Barrel Costs Worksheet**

At any time in any workbook, you may use **Download as PDF, Clone, Print All, Reset, or Need Help** functions.

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Cost of Goods/Case: \$0.00 Gross Margin/Case: \$0.00 Total Gross Margin: \$0.00 Gross margin %: 0.00%

Project Info Grape Costs Winemaking & Production Worksheet **Barrel Costs** Cellar Aging & Storage Packaging & Bottling Costs FOB & Cost Breakdown

\$0.00 Total Cost of Finished Wine per case of finished per case of 12/750 ml bottles (from previous page).

NOTE: "Percentage of wine in each barrel program" (line 2) and "Duration of Barrel Aging" (line 5) must be populated for the subsequent calculations in each column to be activated.

	Program 1	Program 2	Program 3	Program 4	TOTALS
1 Barrel program description (i.e. new French, used, etc.)					May be less than 100% if portion not aged in barrel
2 Percentage of wine in each barrel program (TOTAL = 100):	0%	0%	0%	0%	0.00
3 Duration of barrel aging (months)					
4 Gallons	0.00	0.00	0.00	0.00	0.00
5 Equivalent number of cases	0	0	0	0	0
6 Laid in cost of barrel (incl. shipping and preparation)	\$	\$	\$	\$	
7 Used barrel resale (or transfer to used program) value	\$	\$	\$	\$	
8 Barrel capacity (gallons)					
9 Net cost/barrel for life of use	\$0.00	\$0.00	\$0.00	\$0.00	
10 Number of years used					
11 Cost per barrel per month of use	\$0.00	\$0.00	\$0.00	\$0.00	
12 Number barrels required	0.00	0.00	0.00	0.00	0.00
13 Net cost of barrels	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
14 Net cost of barrels per bottle	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
15 Annual evaporative loss rate (3-5 % per year typically)					
16 Topping wine cost per gallon (bulk and/or finished wine)	\$	\$	\$	\$	
17 Evaporation loss per month (gallons)	0.00	0.00	0.00	0.00	0.00
18 Topping wine cost/bottle	\$0.00	\$0.00	\$0.00	\$0.00	
19 Evaporation loss: total cost of topping wine	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
20 Cost of barrels + evaporation loss per bottle	\$0.00	\$0.00	\$0.00	\$0.00	
21 Cost of barrels + evaporation loss cost per 12 bottle case	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
22 Cost of wine including barrel aging per case					\$0.00
23 Total Cost of Fermented Wine per case / 750ml bottles					\$0.00

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Barrel Costs

- This worksheet will introduce you to the many variables and costs associated with barrel aging a wine
- If your wine is NOT aged in barrels you can leave this page blank
 - Alternatives for adding oak character (chips, oak adjuncts/additives, etc.) can be found on the next page)
- Guidelines for completion
 - You are not required to use all four PROGRAMS
 - Typical PROGRAM names can be: new or used, French, American or other source of barrels for each PROGRAM (up to four)
 - If only a portion of the wine goes into barrel the TOTAL on LINE 2 should reflect the % (100% is all the wine is barrel aged)
- LINE 3: number of months the wine will spend in barrels
- LINE 6: research the cost of the type of barrels you plan to use
- LINE 7: What is the salvage value (if any) when done using the barrels for this wine?
- LINE 8: what is the capacity of the barrels?
- LINE 10: how many years will the barrel be used (only 1 year for new oak, up to 5 or more for used barrels)
- LINE 15: evaporation expected during barrel aging process. Barrel storage conditions are important!
- LINE 16: refer to previous tab (Winemaking & Production Worksheet) Line 23: Total cost of wine per case of Fermented 12/750 ml bottles, then divide by 2.38 to get a cost per gallon for your topping wine.
- Click Next or the tab at the top to continue to **Cellar Aging & Storage Worksheet**

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Project Info Grape Costs Winemaking & Production Worksheet Barrel Costs **Cellar Aging & Storage** Packaging & Bottling Costs FOB & Cost Breakdown

Includes costs of barrels, topping wine, evaporation loss and depreciation adjustments. Does not include costs of labor, facilities, or overhead.

\$0.00 Cost of finished wine including barrel aging

Cost per case	Number of Months	total/case	
1 \$ 0.00	0	\$0.00	Storage/aging per month, large uprights, eggs, stainless, etc.
2		\$0.00	Oak alternative costs (chips, blocks, additives, etc.) \$ 0.00
3		\$0.00	Add any additional aging-related costs \$ 0.00
4		\$0.00	Total Storage and Oak Alternatives Per Case
Additional cellar treatments not included in total winemaking costs			
5		\$0.00	Stabilization and clarification \$ 0.00
6		\$0.00	Specialized filtration, additions or treatments \$ 0.00
7		\$0.00	Additional cost of cellar treatments or supplies \$ 0.00
8		\$0.00	Total Additional Cellaring, Storage and Aging Options
Monthly storage of bulk and/or finished wines			
9 \$ 0.00	0	\$0.00	Case goods storage BEFORE release (in bond)
10		\$0.00	In and out fees (total cost) \$ 0.00
11 \$ 0.00	0	\$0.00	In and out fees (per case charge times # of times)
12 \$ 0.00	0	\$0.00	Case goods storage AFTER release, taxes paid (average # months until depleted)
13		\$0.00	TOTAL storage and fees
14		\$0.00	Aging and cellar costs per case
15		\$0.00	Total cost of aging and cellaring
16		\$0.00	Total cost of Wine per case, including cellaring and aging
17		\$0.00	Total Production Cost Of Finished Wine

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Cellar Aging & Storage Costs

- In addition to aging in barrels there are several points that you need to store wine before and after bottling.
- REQUIRED FIELDS**
 - LINE 1: How many months, and cost per case equivalent, of storing the wine after fermentation (or before/after barrel aging) but **BEFORE** bottling. May range from 2-3 months up to even a year depending on wine type and style. Cost can range from \$0.10 to \$0.50 depending on storage vessel.
 - LINE 9: can vary from 1 for fresh whites/rose to 12 months or more for reserve style reds, cost varies from \$0.15 to \$.50 per month.
 - LINE 10: cost varies from \$0.15 to \$.50 per month. If wine is planned to be completely sold within a year from release, divide your production by 12 for **NUMBER OF MONTHS**
- OPTIONAL**
 - Research cost of oak alternatives if using instead of, or in addition to, barrel aging
 - Any specialized treatments (most of these may be covered in line 10 your **REQUIRED: Winemaking: fermentation and production per ton (excluding aging and cellaring) of the Winemaking & Production Worksheet**
 - If calculations are not being completed or not displaying properly, click **SAVE** to fix it
- Click **Next** or the tab at the top to continue to **Packaging & Bottle Costs Worksheet**

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Project Info | Grape Costs | Winemaking & Production Worksheet | Barrel Costs | Cellar Aging & Storage | **Packaging & Bottling Costs** | FOB & Cost Breakdown

\$0.00 Finished wine cost per case from previous page

1 \$ Total per case packaging cost (bottles, case, closure, labels)

Enter EITHER cost per case of packaging OR individual costs

2 \$ Bottles or other containers, per bottle

3 \$ Corks, screwcaps or other closures, per bottle

4 \$ Capsules, per bottle

5 \$ Labels, per bottle

6 \$ Boxes and/or box graphics (boxes may be included with cost of bottles), per case

7 \$ Additional packaging costs (wooden boxes, tissue wrap, etc.), per case

8 Packaging cost per case

9 Total Cost of COLA, design and additional packaging expenses \$

10 \$ Bottling/filling cost per case including additions or treatments

11 Total Cost of Additional bottling line setup or changeover fee \$

12 Total Cost of Additional packaging and/or bottling costs \$

13 Total case cost of packaging materials, bottling and treatments

14 Total bottle cost of packaging materials, bottling and treatments

15 Total cost of materials and bottling

16 **\$0.00** Total cost including wine, packaging and bottling

17 **\$0.00** Finished Cost of Goods (COG) per case

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Packaging & Bottling Costs

1. Use Lines 2-8 (individual packaging components), NOT Line 1
2. REQUIRED FIELDS
 - i. LINE 9: research COLA and then add estimate of cost to create label design and artwork
 - ii. LINE 10: You may want to contact an individual bottling company, winery or mobile bottling service to get costs and provide them with the volume of production for your project
3. Click Next or the tab at the top to continue to **Packaging & Bottle Costs Worksheet**

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 Project Info Grape Costs Winemaking & Production Worksheet Barrel Costs Cellar Aging & Storage Packaging & Bottling Costs **FOB & Cost Breakdown**
\$0.00 Unallocated Cost of Finished Goods (use this number to enter into Sales & Distribution Calculator)

	Cost of Finished Goods Breakdown	% of total	\$ per Case	Total Costs/Margin
1	Grapes	0.00%	\$0.00	\$0.00
2	Production (including taxes)	0.00%	\$0.00	\$0.00
3	Bulk wine	0.00%	\$0.00	\$0.00
4	Barrel aging	0.00%	\$0.00	\$0.00
5	Cellar and storage	0.00%	\$0.00	\$0.00
6	Packaging	0.00%	\$0.00	\$0.00
7	Cost of finished goods	0.00%	\$0.00	\$0.00
8	GROSS MARGIN (FOB selling price less cost of goods)	0.00%	\$0.00	\$0.00

Preliminary retail pricing calculation pricing forecaster*

9	Winery FOB/ex-cellars price			\$0.00
10	Total winery revenue for this wine (FOB times case production)			\$0.00
11	Distributor selling price (freight, landed cost X 1.5 markup to licenced resellers: on-premise and off-premise)			\$0.00
12	Estimated retail shelf selling price after 33% retail markup (25% margin)			\$0.00

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FOB & Costs Breakdown

This page displays the summary of all your costs and determines your FOB price and Gross Profit Margin for the inputs you have provided.

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