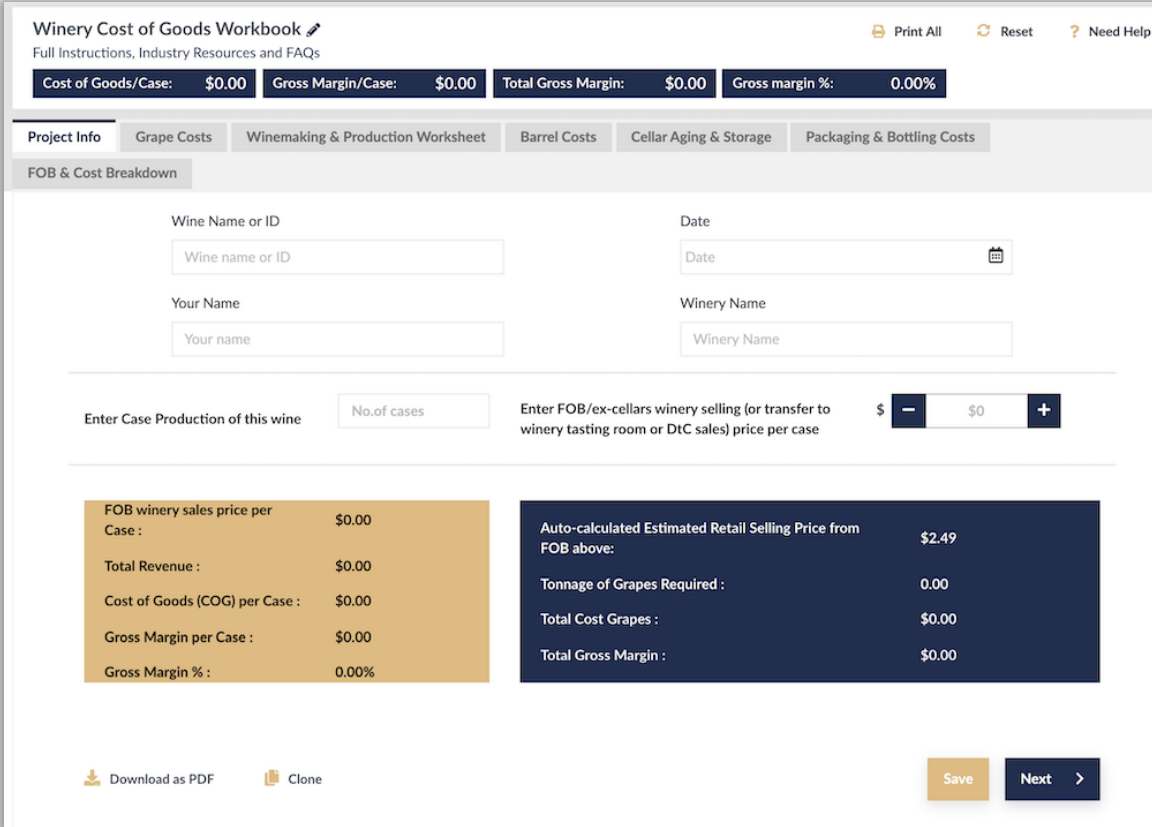# Winery Cost of Goods Workbook Tutorial

The purpose of this workbook is to generate a detailed financial workup for the production costs that go into a wine. This workbook can be used for actual costs (often in conjunction with your accountant or bookkeeper) or to run forecasts to determine costs and profitability of new products.

Project Info Tab

1. NAME YOUR WORKBOOK: Click on Pencil Icon next to Winery Cost of Goods Workbook to name this project (wine name, project name, version number. When you go back into My Account/Saved Workbooks you can then find, reopen and edit the project as needed.
2. Full instructions, Industry Resources and FAQS – this is a link to support page, industry resources and tutorials.
3. Enter Wine Name, Date, Your Name and Winery Name.
4. Enter Case Production for this one wine.
5. Enter the actual or estimated FOB/ex-cellars price per case (price winery sells wine to distributors, importers or the transfer price used to 'sell' the wine to your tasting room or wine club).
   - You will see an Auto-calculated Estimated Retail price in field below to use as a guideline for estimating what the retail price will be given the FOB you enter.
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, then continue to **Grape Costs Worksheet**.

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

For use with Wine Business Education financial calculators and online learning resources.

Grape Costs Calculator

1. Select a Varietal (type of grape; Merlot, Riesling, etc.) from pulldown list in column 1.
   - If you are using a grape variety not listed in the pulldown leave the field SELECT VARIETY as is then 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 to the right. 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.
   - You may be blending the same variety (Pinot Noir for example) from separate vineyards or blocks, and treat each entry individually, using the GRAPE SOURCE NOTES to identity the vineyard or block for each.
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. Click Next or the tab at the top to continue to **Winemaking & Production Worksheet**

Winemaking & Production Worksheet

1. REQUIRED rows must be filled in to generate production costs.
2. OPTIONAL rows allow one-tim or additional costs over and above basic cost of production.
3. Line 3: enter the percentage of finished material or bulk wine, if any, added to this wine for final production. Ost per gallon of the finished/bulk wine is entered on LINE 17.
4. Line 4: 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 for most table wines, as low as 30 ore less for ice wine or late harvest wines. The conversion factor depends on the type of grape, style of wine and pressure applied at the point of pressing the grapes to extract the juice.
5. Line 5 Winemaking: cost of fermentation and production per ton (excluding aging and cellaring).
6. State and Federal Excise Taxes per Gallon.
7. Additional cells for entering fixed or other costs of production are available as noted.
8. Click Next or the tab at the top to continue to **Barrel Costs Worksheet.**

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Barrel Costs

1. This worksheet will introduce you to the many variables and costs associated with barrel aging a wine.
2. If your wine is NOT aged in barrels you can leave this page blank.
   - Alternatives methods for adding oak character (chips, oak adjuncts or additives, etc.) can be found on the next page.
   - LINE 1: You are not required to use all four PROGRAMS.
   - If only a portion of the wine goes into barrel the TOTAL on LINE 2 should reflect the % of the total being aged in barrel (100% is all the wine is barrel aged).
3. LINE 3: number of months the wine will spend in barrels.
4. LINE 6: purchase cost of barrels.
5. LINE 7: What is the salvage value (if any) when done using the barrels for this wine?
6. LINE 8: barrel capacity in gallons.
7. LINE 10: how many years will the barrel be used (only 1 year for new oak, up to 5 or more for used barrels).
8. LINE 15: evaporation expected during barrel aging process. Barrel storage conditions are important!
9. 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.
10. Click Next or the tab at the top to continue to **Cellar Aging & Storage Worksheet.**

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Cellar Aging & Storage Costs

1. In addition to aging in barrels there are several points that you need to store wine before and after bottling.
2. REQUIRED FIELDS
   a. 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.
   b. 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.
   c. 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.
3. OPTIONAL
   a. Enter the cost of oak alternatives if using instead of, or in addition to, barrel aging.
   b. Any specialized treatments (most of these may be covered in line 10 already in the previous tab REQUIRED: Winemaking: fermentation and production per ton (excluding aging and cellaring) of the Winemaking & Production Worksheet
4. Click Next or the tab at the top to continue to **Packaging & Bottle Costs Worksheet**

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Packaging & Bottling Costs

1. LINE 1 is for entering the complete packaging cost for a case of wine.
2. Lines 2-8 are used for entering the individual packaging components.
3. REQUIRED FIELDS
   i. LINE 9: enter the combined cost of Certificate of Label Approval (COLA), label printing costs 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
4. LINE 10: determine the average cost per case for bottling (provided by mobile bottlers, custom crush, etc. or work with your accountant to determine if you have in-house bottling line).
5. LINES 11-12: any additional one-time costs may be entered.
6. Click Next or the tab at the top to continue to **FOB & Costs Breakdown Worksheet**

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Winery Cost of Goods Workbook ✎
Full Instructions, Industry Resources and FAQs

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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 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.

LINES 9-14 show the formula used to generate the ESTIMATED retail price of your wine.

Use the **Wine Pricing Calculator** (My Account > Financial Workbook Dashboard) to run a detailed pricing workup for this wine.

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