Lender’s Perspective......
Vineyards & Wineries

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What does your Lender need to know?

• Your Goals

• Your Background or History

• Your Plan – Big Picture & Details
The devil is in the details….

- Where will you get your grapes?
- Who will make the wine?
- When will you start production/selling?
- How will you market your products?
- Who will be on site and for how many hours?
- Develop realistic projections....
Financial Considerations

• Projections
  – Income
  – Expenses
  – Timing of income and expenses (cash flow)

• Capital Expenditures/Requirements
Financial Considerations

• Liquidity $$ $$
  
  – What do you have on hand?
  
  – What are you willing to spend of your own money to make this business work?
Regulations....well it is alcohol

- Look into ABC permitting requirements
- Consider bonded areas for wine storage
- ATF regulations
- Get knowledgeable about local ordinances in your County
- Building code requirements (positives and pitfalls)
Other Thoughts & Considerations

• What is your fallback plan?
• How much time are you willing to put into this operation?
• How much are you willing to risk?
• Remember this is an Agribusiness. It carries both ag production risk and business / service industry risk. How do you balance these?
So what will you give me?

- Real Estate loan (typically 20 years with a minimum of 25% - 30% down payment)
- Equipment loan (typically 5 – 10 year loan)
- Construction loan (build out the tasting room, etc – terms vary depending on situation)
- Operating line of credit
- Loan to plant vines (typically 10 year maximum term)
Other Resources

• Farm Services Agency – funding for operating expenses & business expansion
• Local vineyard and winery Associations are a wealth of knowledge
• Winery/Vineyard Consultants
• Virginia Cooperative Extension Service