

Lender's Perspective..... Vineyards & Wineries

Marilyn Adams
Branch Manager, Farm Credit Leesburg
703-777-3311
mjarvis@fcvirginias.com



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)
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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 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