

OREGON WINE



SYMPOSIUM

How does a Grape Grower make money?

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What is your Motivation to own a Vineyard?

- Real Estate Investment
- Source of Income/Profitability
- Reliable Grape Source for own Winery/Vertical Integration
- Status Symbol/Prestige/Legacy
- Lifestyle, Social Aspect
- Add-on Value (examples: B&B, VRBO, Resort)
- “Back to Nature Movement” after Successful Career in Non-Ag Space
- Farm Deferral/Tax Reasons

**A Combination of Objectives is possible,
but Prioritization is important**



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Your priorities have a direct impact on critical decisions like:

- Location/Site Selection
- Acreage
- Varietals/Clones
- Layout
- Spacing
- Trellis System
- Mechanization
- Equipment Purchases



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Revenue (Yield x Price per ton) – Farming Costs = Gross Margin

Varietal	Price per ton in \$	Yield in tons per acre	Farming Costs in \$/a	GM in \$/acre	Description
Gewürztraminer	1,700	2.5	5,000	-750	Low vine density, 25+ years old, hand harvest
Pinot Noir	2,500	3	8,000	-500	steep terrain, small blocks, medium density (7x5), sold in small lots, hand picked
Pinot Noir	2,500	4	6,500	+3,500	Moderate slope, 8x5 spacing, large blocks, mechanized incl. harvest, WV fruit
Melon	2,200	5	7,500	+3,500	9x5 spacing, VSP, hand picked
Pinot Noir	4,500	2.5	7,500	+3,750	Old vines, low vine density, vineyard designate label, hand harvested
Chardonnay	2,700	4.5	7,150	+5,000	8x5 spacing, Scott Henry, machine harvest



Lever 1



Lever 2



Lever 3



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Solutions to Improve Gross Margin

INCREASE YIELDS: Varietal, Clones, Split Canopy, Fertilization, Irrigation

INCREASE GRAPE PRICE: Quality, Exclusivity/Novelty, Reputation of the Vineyard, Contract Negotiation

REDUCE FARMING COSTS: Mechanization, Modify Trellis System (example: cross arms), Spur vs. Cane Pruning, Tolerate Imperfection, Sweat Equity, Contract Negotiation

Combination of all 3 levers: Segmentation of Vineyard by Block, Analyze Profit and Loss Leaders, then TAKE ACTION

SIGN A CONTRACT THAT CLEARLY DEFINES EXPECTATIONS ON BOTH SIDES



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