

Ask the question

The difference between a good and a bad arable farmer is 24 hours.

I was once told that early in my consultancy career and it's a comment that's stuck with me for the 25 years since.

The farmer who gets up at 5am to go spraying because conditions are perfect and is determined not to miss a moment of the window won't have same disease problems or weed burden that someone who acts 24 hours later will.

It's precisely the sort of approach that's vital in viticulture – and I'm sure everyone in the sector will identify with the sentiment.

An attention to detail – sometimes bordering on obsessiveness – is one of the personal traits that grape growers and winemakers need to be successful. They might well recognise it in themselves. They might also recognise many of the other attributes they possess. There is one question, however, that takes a lot of self-awareness and can be very tough to answer honestly. That question is: Why am I doing this?

Really understanding your objectives should be the starting point of a business but, for a host of understandable reasons, it's a thought process that often gets sidelined. Whole enterprises can become established, without the owners ever distilling an answer to that most fundamental question.

As the British wine sector becomes more mature – and we enter a period of rapid transformation sparked by a host of factors including Brexit and changing consumer trends – now is a good time to think about this. Perhaps, having launched a vineyard 3-5 years ago, it's now at the point of producing meaningful quantities of grapes but where is the endeavour headed?

Are you keen to produce limited volumes of

very high quality wine? Or perhaps a larger volume targeted at a more mass market? It's becoming an ever-more crowded market place so you need to understand your position. This will inevitably involve some research.

What is your end game, as an individual? What is your character? Are you someone who wants to stay involved with the business you founded for your whole lifetime, perhaps periodically or constantly expanding? Or are you someone who is good at and enjoys founding a business – then perhaps selling it and benefiting from the capital value created?

Appreciating what you're trying to do will help crystallise a business plan that will help you achieve these goals. It's not always easy – you have to be clinically objective.

Some people in viticulture are forensically focused on commercial goals. Others view it as a passion project. Both approaches are, of course, entirely legitimate but you need to be rigorous in establishing which camp you are in (or more likely, where on the spectrum between the two you sit).

If you decide you are not intending to stay in the business for the long term, that decision will in turn bring choices. Do you perhaps lease or sell it? And if so, what are the implications, particularly in terms of tax?

Contrary to some predictions, there were no rises in Capital Gains Tax in the Chancellor's March budget so, if you are intending to sell a viticulture business in the next few years, now might be a good window of opportunity to act. With a big area planted to vines in the last few years, the possibility of an over-supply of grapes is on the horizon, which will prompt some in this position to sell sooner rather than later. If you have acquired land and spent time establishing vines that are reaching maturing,



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right now two plus two *can* equal five. In other words, there is, potentially, a premium in terms of sale value to be had from bringing an already-productive business to the market. This might not always be the case.

Allied to analysing your objectives, other hard questions loom: What am I good at? And indeed: What am I not so good at? Are your skills predominantly agronomic? Or linked to winemaking? Or are they centred around taking a product to market?

Getting a handle on this can help you recognise where you might benefit from forming partnerships – whether formal or informal.

If you are a great grape grower, but not so hot on retailing and marketing, can you join forces with someone who has that knowledge? It doesn't necessarily have to be another grower – it could be drawing on the services of an adviser.

Viticulturists need to have many attributes these days (personal resilience and a willingness to embrace technology are certainly among them) but no one's good at everything.

There is, however, good news; while establishing a vineyard is a long-term process, you are able to make changes to how you run and structure your business relatively quickly.

Opportunities abound, but they can sometimes pass quickly. As that arable farmer I mentioned at the start of this article will know well, sometimes even just 24 hours can make all the difference.



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