Craft Whiskey Distilling
(Down and Dirty Business Plan)

**Assumption One:** You will keep your day job during planning and building of a craft distillery.

**Assumption Two:** The first year will be spent writing a business plan, raising money, finding a location and ordering distilling equipment. Then obtain permits from: City, Country Use permits, State and Federal Distilling permits. (Get the permits before renting the building) Once the distilling equipment is installed call TTB to obtain your DSP. Finally obtain COLA apply for label approval for the products you plan to sell.

**Assumption Three:** It will cost over $450,000 to open a distillery, producing 3,000 to 8,000 cases per year.

**Assumption Four:** Income from the first year of production will come from distilling gin. (Gin made from NGS take two days to produce and bottle. Whiskey, depending on the style and type of barrels used should be aged six months to two years. (Rye whiskey requires very little aging)
THE CRAFT DISTILLERY
The Build Out

**Building Improvements**
- Electrical, Plumbing, Fire Protection, General Construction $50,000
- One year rent ....... $2,500 x 12 $30,000

  **Build out Expenses** $80,000

Brewing Equipment (New and Used) To Create Whiskey Wash
- Used: Boiler, Mash Tun, Two Fermentation Vessels $70,000
  (Save $70,000 by buying wash from a craft distillery)

**Distilling Equipment**
- 250 Gallon Pot Still $115,000
- Pumps, Hoses and Filtration System $10,000

  **Brewing and Distilling Equipment** $195,000

**Built Out Total** $275,000

**Distillery Supplies**
- Stainless Steel Blending Tanks & Totes $4,000
- Bottling Equipment, Cartons, Glass & labels $29,000
- 30 Fresh Dumped Bourbon Barrels /$100 $3,000
- Storage Racks $3,000
- Carbon Filtration System $1,000
- Hydrometers, Thermometers & Ebulliometer $600

Office furniture, computers, phones $4,000
(Legal Fees, Trademark etc, $5,000

  **Total Supplies** $49,600

**Total Cash Out** $324,600
**Cash in the bank for things not planned** $47,000

You obtained the USE permit and DSP and the end of year two
Year Three

Distilling three days and marketing two days of the week

Products
- Gin re-distilled or blended from NGS 60% of production
- Whiskey, from Malt 40% of production

Annual Output, (Year Two)
- Gin 2,000 Cases
- Whiskey 30 barrels 660 Cases
  (In reserve (aging) 15 barrels, 330 cases of whiskey.)

Develop plan to sell whiskey futures to investors.

Total Production in Year Three 2,300 Cases
Year Four

Best-case scenario with 100% sell-through:
Gross income before production expenses, taxes. etc.

**Retail Sales**

*Gin*

- 2,000 Cases at $260 / Case
- $520,000

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- NGS Costs $330 for a 55 gal. drum.
- One Gallon of 95% NGS produces over two gallons of 40% abv gin.
- Total cost: $3/bottle includes: product bottle carton and label but not marketing and taxes.
- The $3 Bottle of gin at retail is $21.67

*Whiskey*

- 330 Cases at $350 / Case
- $115,500

**Total sales at Retail** (NOT Distillery Income) $636,500

Distillery Income, 50% of Retail $317,750

Federal Tax: $13.50 x 4,432 proof gallons ($59,832)

Net Income $257,918

- Direct costs of goods ($5/bottle in the case) ($139,800)

**Gross Profit** $118,118

- Marketing Cost ($2/bottle) ($55,920)

**Operational Profit** $62,198

**Fixed Costs**

- Rent, Utilities, Insurance and travel.................................($61,000)

**Income at the end of year three** $1,198

(If you have worked for free and have no employees)

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Bill Owens, American Distilling Institute