

OREGON WINE

State of the Industry & 2017 Priorities

March 6, 2017



OREGON
WINEGROWERS
ASSOCIATION



OREGON
WINE
BOARD

OREGON WINE INDUSTRY STATISTICS



UPDATED 11.1.16



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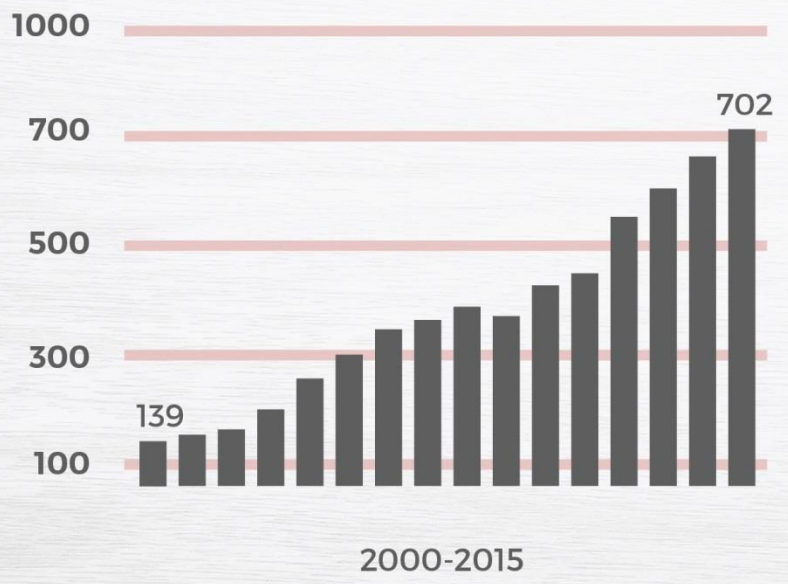


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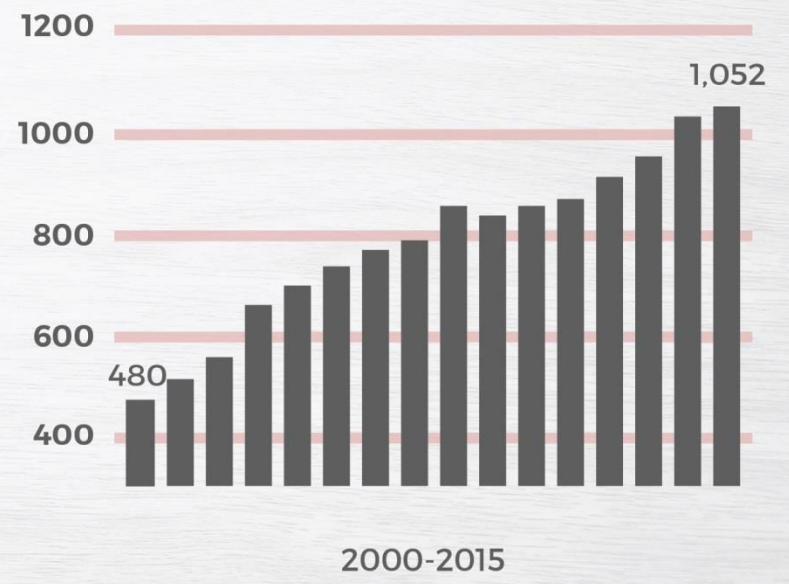
OREGON WINE IS THRIVING

The expansion of wineries and vineyards in recent years is a testament to Oregon's reputation for quality grapegrowing and winemaking.

Number of Oregon Wineries



Number of Oregon Vineyards



Source: Oregon Vineyard and Winery Census Reports, 2000-2015



A DRIVING FORCE FOR GOOD

As the Oregon wine industry grows, so does its impact on the economy and ability to give back to the community.



\$ 3.35 B
Statewide
economic impact



17.1 K
Wine-related
jobs in Oregon



\$ 11 M
Charitable donations
made by Oregon
wine businesses

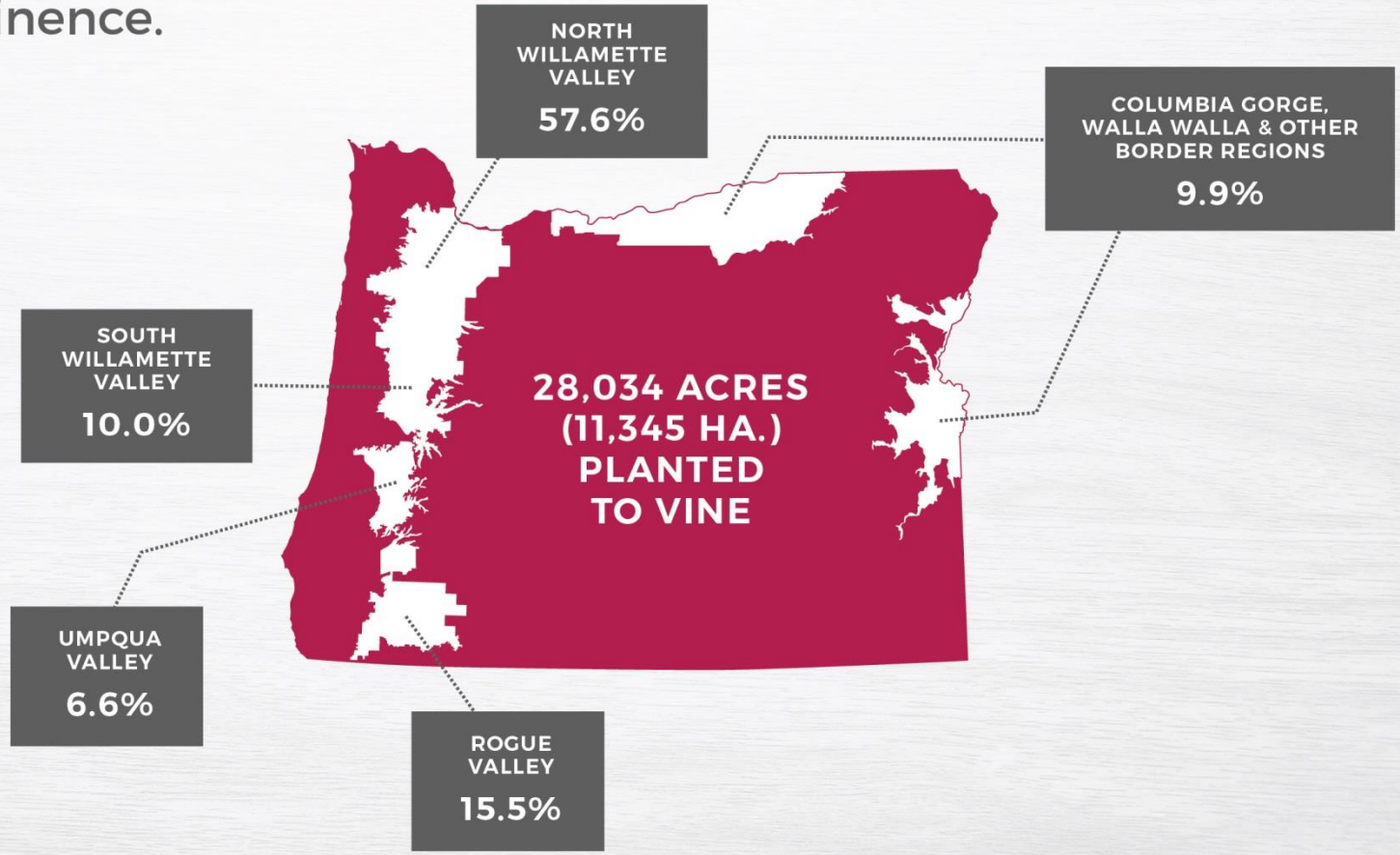
\$ 208 M
Wine-related
tourism revenue

\$ 527 M
Wages related to
Oregon wine jobs



WINEGROWING THROUGHOUT OREGON

While Oregon's vineyards are concentrated in the northern Willamette Valley, other growing regions continue to gain prominence.

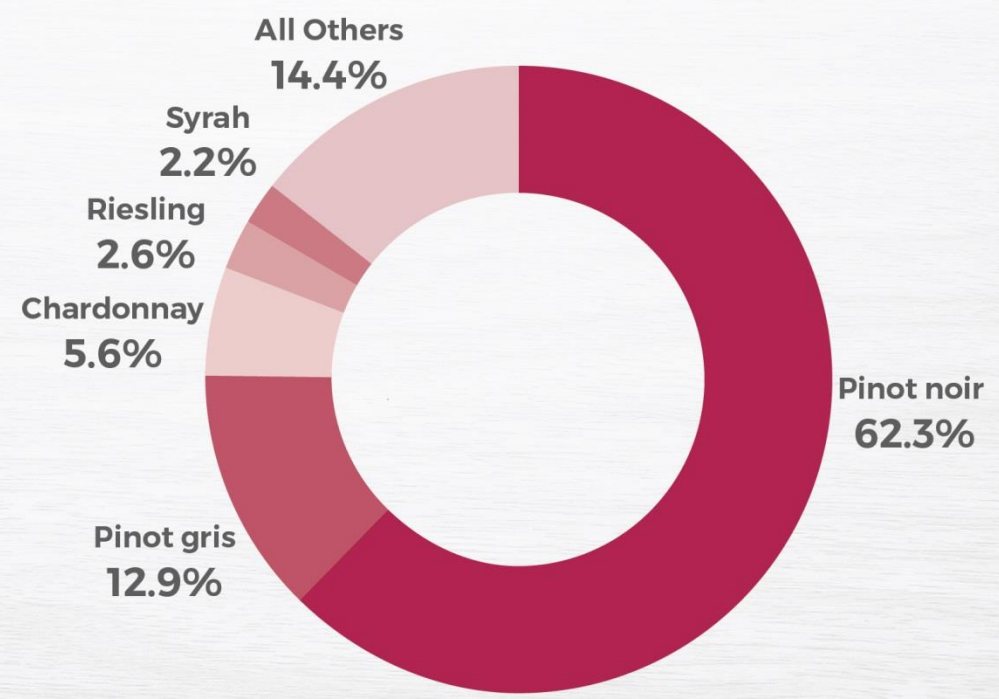


Source: 2015 Oregon Vineyard and Winery Census Report



OREGON'S TOP VARIETIES

Pinot noir is the predominant variety grown in Oregon; however, the state's diversity of geography and microclimates make it well-suited to many different varieties.



72 varieties of wine grapes are grown in Oregon

A COMMUNITY OF SMALL, ARTISAN PRODUCERS



There are multiple producers in California and Washington that make more wine than all of the wineries in Oregon combined!

A COMMITMENT TO QUALITY

The attention and care given by Oregon’s grapegrowers and winemakers from vine to bottle are reflected in its consistently high-quality wines.



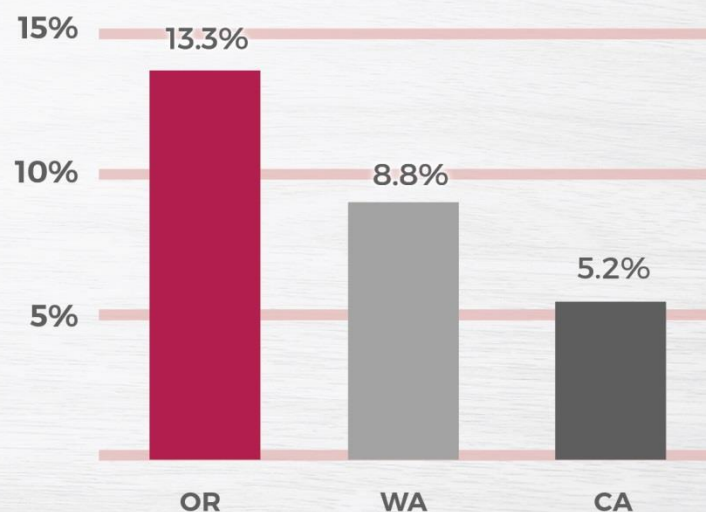
GROWING CONSUMER DEMAND FOR OREGON WINE

Small-production wines made from hand-picked fruit are worth a little more... and consumers around the U.S. agree.

Average Bottle Price (750mL)



Growth of Sales \$ (2014 vs. 2015)



DISTRIBUTION CHALLENGES

1995

2,600 Wineries



3,000 Distributors

2015

8,800 Wineries



700 Distributors

OREGON WINEGROWERS ASSOCIATION: 2017 LEGISLATIVE PRIORITIES



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OWB ESTABLISHMENT AND PURPOSE

The Oregon Wine Board was created in 2003 by HB 3442 and established as a semi-independent state agency.

Charter

“The Oregon Wine Board shall operate for the purpose of supporting enological, viticultural and economic research to develop sustainable business practices for wine grape growing and wine making within Oregon and supporting the promotion of Oregon’s wine grape-growing and wine-making industries.”

MARKET ACCESS & RESEARCH INVESTMENT STRATEGY

- Allocates \$1.5 million to Oregon Wine Board for innovative programs to create new market access opportunities for Oregon wineries, with a focus on smaller wineries.
- Direct portion of new dollars on targeted, strategic research to address key vineyard challenges (i.e., red blotch virus disease and climate related changes).
- Oregon Wine Board charged with creating specific plans.
- \$1.5 million comes from **current** wine taxes going directly to General Fund.



MUSIC LICENSING REFORM

- Seeks to reign in representatives of Performance Rights Societies (BMI, ASCAP, SESAC) that harass wineries and other establishments where copy written music is performed or played.



THANK YOU!

Harry Peterson-Nedry, Chehalem
Past President, Oregon Winegrowers Association
Past Chair, Oregon Wine Board

Dan Jarman
Crosswater Strategies



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