

# DEL RIO

## VINEYARD ESTATE

To: Senate Judiciary Committee

From: Del Rio Vineyards

Date: March 19, 2019

Re: Opposition to Senate Bill 111

Del Rio Vineyards & Winery is one of Oregon's largest wine grape growers and wine producers. We farm 470 acres of vineyards in the Rogue Valley. We produce wine for three brands of our own. Along with our branded products, we also supply customers with grapes, juice and bulk wine throughout Oregon and across the United States. We are proud of our business and our role in supporting southern Oregon's wine industry.

We are adamantly opposed to SB 111 because it will drive our customers away and devalue our products. Oregon winegrowers now produce more fruit than can be processed solely by Oregon wineries. According to the Oregon Wine Board, about 20% of all grapes grown in the state of Oregon are shipped outside of the state and SB 111 would depress the price of these grapes by denying these growers the full benefit of the "Oregon" brand and discouraging out of state wineries from purchasing Oregon grapes.

The bill also discourages Oregon wineries like us from producing Oregon wine for out of state wine businesses. The bill is anti-competitive and benefits some of our state's wineries at the expense of other Oregon wineries. Although this bill is specifically designed to aid Willamette Valley Vineyards in its ongoing battle with the Copper Cane winery of California, the bill will create broad collateral damage across our whole Oregon industry.

Here are a few of our specific concerns about SB 111:

- The bill divides our industry and puts growers at odds with one another.
- SB 111 does not advance "Truth in Labeling." Instead will lead to consumer confusion by creating the impression that the place where wine is vinted is more important than the place where grapes are grown.
- SB 111 devalues Oregon wine grapes shipped across state lines.
- The Oregon wine industry has not been given accurate information about the bill. The bill has been portrayed as having broad support in the wine industry, but that is misleading. Most of the industry is just now learning about the specifics of the bill.
- The abrasiveness of this bill invites potential retribution from out of state regulators against our grower base.
- The wine industry is heavily regulated and the majority of the issues that the bill seeks to address currently being handled by the federal TTB. This bill will only create a more complicated tangle of federal and state regulations for the industry to navigate.

We are open to legislation that addresses significant, industry-wine issues such as deceptive labeling and the grape tonnage tax, but this bill is not an effective way to address these issues. We respectfully request a personal response about this matter from your office.

Sincerely,

Rob & Jolee Wallace