

To: Senate Committee

From: Grestoni Vineyards LLC

Date: March 19, 2019

Re: Opposition to Senate Bill 111

I am writing to you today in strong opposition of Senate Bill 111. I am a Southern Oregon farmer with property in the Jacksonville/Medford area. I own 250 acres of which 100 acres are dedicated to growing wine grapes. If SB 111 is passed it will have negative consequences to the long-term viability of Southern Oregon grape growers. Currently, in Southern Oregon the majority of the grapes are shipped outside the region, given the limited capacity to produce wine locally. Although a portion of Southern Oregon's production is shipped to Willamette Valley, a large portion is shipped to out-of-state wine producers. In our case at Grestoni Vineyards, 100% of our production is shipped to out-of-state producers. We have tried to diversify and sell our production within the state of Oregon on an ongoing basis and are unable to find any buyers given the oversupply of wine grapes. At Grestoni Vineyards our focus is farming and not making wine, so why should we be penalized if we want to focus on farming? Furthermore, in essence what you are doing if SB 111 passes is limiting farmers' flexibility to develop markets for their grapes

outside the state of Oregon. Grape farming has been one of the economic drivers in Southern Oregon in the last several years. I just don't understand why you would want to discourage the future development of this important sector by passing this narrow-minded SB 111. This just does not make any sense to me.

If SB 111 passes, it will be devastating to our business and livelihood and will have similar adverse financial impacts on all other farmers in the region growing wine grapes whom rely on out-of-state buyers.

It seems to me that SB 111 was clearly orchestrated, promoted, and written primarily by Jim Bernau of Willamette Valley Vineyards in retaliation specifically against Copper Cane, who is currently in a legal dispute with Willamette Valley Vineyards. Willamette Valley Vineyard's only purpose in sponsoring this bill is to protect and promote its own interest at the expense of all other Oregon wine grape farmers and wineries. Clearly SB 111 does not represent the best interest of the Oregon farming and wine industry as a whole. While I am sympathetic in the need to create legislation to clarify our tax law and protect consumers from misleading labeling practices, this bill clearly does not achieve those goals, rather it makes the situation more complicated and unequitable.

Just this last week, I participated and collaborated with numerous industry colleagues representing over half the wine production in the state of Oregon. The unanimous consent of the group is that all are in strong opposition of this bill. Please see below a compiled summary of some of the comments the group.

I would very much appreciate a response to my questions and concerns via email at agrestoni@gmail.com. Look forward to your response.

Sincerely yours,

Angelo & Leigh Grestoni
Grestoni Vineyards LLC
4184 Bellinger Lane
Medford, Oregon
agrestoni@gmail.com
408 910-9993

The following is a summary of some of the comments we have compiled in collaboration, and urge you to take these into account with regards to SB 111:

- SB 111 is intended to limit or otherwise discourage out-of-state winemakers from producing and marketing wines made from grapes grown in Oregon. The direct impact will fall on the Oregon grape growers. According to the Oregon Wine Board's 2017 Oregon Vineyard & Winery Report, 20% of all grapes grown in the state of Oregon are shipped outside of the state. Oregon growers now produce more fruit than can be processed solely by Oregon wineries. This would restrict the market for Oregon fruit, impact the pricing of fruit, and thus result in the harming the 5.61 billion-dollar Oregon wine industry.
- The Oregon wine industry is comprised of many components, led by the grape growers and winemakers. SB 111 would only benefit certain winemakers and the expense of the industry as a whole.
- The creation of SB 111 has been a deceptive process. It was presented as representing the Oregon Wine industries interests, however, the

information regarding the bill has been misleading.

- All evidence presented in favor was a direct target of one California winery, Copper Cane, currently in dispute with WVV.
- The complaints against Copper Cane are claims of “unfair competition”.
- A mission of “Truth in labeling” is good in character with an intent to protect the consumer. However, SB 111 will cause consumer confusion. It would draw attention away from the place of origin of the grapes, while placing added emphasis on the state where the wine was vinified. This could give consumers the impression that where the grapes are grown is less important than vinified. We believe Oregon grapes are of the highest quality and this could hurt our reputation.
- The proposed amendment is mis-guided and seeks to limit competition through regulation and protectionist measures. Current grape customers from outside of Oregon have already put projects on hold or cancelled all together due to SB 111.

Finley Bend Vineyard
Blue Haron
Grestoni Vineyards
Foris Winery
Braden Farms
NW Wine Co.
Wooldridge Creek Vineyards
A to Z Wineworks
Union Wine Company
Dinsdale Vineyards
Hillcrest Vineyards
Paul O' Brien Winery
Pallet wine company
Wine Makers Investment Properties
Celtic Moon
Melrose

Del Rio