

NAUMES FAMILY VINEYARDS



March 12, 2019

The Honorable Floyd Prozanski, Chair
Senate Committee on Judiciary Committee
Oregon State Legislature
c/o Committee Counsel: Channa.Newell@oregonlegislature.gov


I am writing you today in regards to the proposed Senate Bill 111. I appreciate the opportunity to comment on the significant challenges and dangers this bill represents to the wine industry in Oregon.

Naumes Family Vineyards strongly opposes SB 111, which would place an undue burden on Oregon wine grape growers and their out of state buyers. Currently, 20% of the Oregon wine grape crop is sold out of the state and now overall production is beginning to outstrip both in and out of state demand. The permit and bond requirements of this bill would only serve to drive off out of state buyers at a time when they are needed most. Restricting fruit demand would only push down prices and create hardship for growers who are the foundation of the wine industry.

SB 111 also has the potential to put a massive amount of stress on production and tank capacity in the state and especially in Southern Oregon. Given that winery line time and tank capacity is already stretched throughout Oregon, reducing the marketability of Oregon fruit could create a situation where a large percentage of the crop could neither be sold outside of Oregon nor processed and stored within the state. Many small growers may simply have no place to go if outside markets are severely reduced or eliminated.

SB 111 also puts forward labeling requirements that fall under the federal purview of the U.S. Department of the Treasury Alcohol and Tobacco Tax and Trade Bureau (TTB). Federal American Viticulture Area (AVA) and label laws already specify what can be listed on a wine label given the origin of the fruit and place of fermentation. Violations of Oregon AVA usage are already being investigated and mediated by the TTB and this process should proceed through the appropriate channels. The State of Oregon should not interfere with interstate commerce especially when it is to the detriment of fruit growers.

The wine grape industry in Oregon would be adversely affected by the adoption and implementation of SB 111. This bill favors certain in state wineries over the grower base and especially growers who have developed sales channels outside of the state. The state of Oregon should seek to expand and promote internal and external markets for growers, not restrict sales and drive down prices. Naumes Family Vineyards opposes SB 111 and asks the legislature to work towards a solution that benefits winemakers and grape growers.

Sincerely,

Mike Naumes
President, CEO
Naumes Family Vineyards