

# SOUTHERN OREGON WINERY ASSOCIATION



To: Oregon Senate Judicial Committee & Oregon Wine Board

From: Southern Oregon Winery Association

Date: April 3, 2019

Re: Opposition to SB 111-4 proposed changes

We are writing to you on behalf of the Southern Oregon Winery Association (SOWA). We represent wineries within the Rogue and Umpqua Valleys. Because our area has climate and soil conducive for growing high quality fruit, our area grows approximately 20 to 25% of the grapes in the State of Oregon. Southern Oregon growers now produce more fruit than can be processed solely by our wineries. Due to the reputation for quality that Oregon grapes now enjoy, growers have been able to find out of state buyers for their fruit. High quality wines made from Oregon fruit by out-of-state wineries has increased market awareness and the overall reputation for quality of Oregon grapes and wines. The solution should not be one of limiting the supply of fruit grown in the state, but rather one of opening new markets for Oregon grapes while protecting Oregon's reputation for quality. The proposed changes in version SB 111-4 run counter to attempts to encourage new markets outside the state. Restricting the market for Southern Oregon fruit could pose severe economic hardship on growers and wineries as well as our surrounding communities.

Sections 1 and 2 of this bill addresses expanding some of the authority of the OLCC to establish content standards for wine for the use of an Oregon appellation of origin on wine labeling, packaging, advertising or marketing. Additionally, the bill describes a complaint driven system that could potentially be retaliatory to businesses that are operating in good faith. SOWA cannot support either of these conditions.

Wine-making and wine grape growing are separate, but closely related industries. One cannot survive without the other. Both are key stakeholders in the Oregon wine industry. The proposed changes, however seem to benefit only Oregon winemakers, while have the unintended consequence of significantly harming Oregon growers (especially in Southern Oregon). The proposed changes are misguided and seeks to limit competition through regulation and protectionist measures. A solution needs to be found that benefits winemakers, wine grape growers and the Oregon wine industry as a whole.

Regards,

SOUTHERN OREGON WINERY ASSOCIATION



Scott Steingraber  
President