

# SOUTHERN OREGON WINERY ASSOCIATION



To: Oregon Senate Judiciary Committee

From: Southern Oregon Winery Association.

March 12, 2019

Re: Opposition to Proposed amendments to Senate Bill 111

We are writing to you on behalf of the Southern Oregon Winery Association (SOWA). Our organization opposes the proposed amendments to Senate Bill 111. SOWA represents wineries within the Rogue and Umpqua Valleys. Because our area has climate and soil conducive to growing high quality fruit, our area produces approximately 20 to 25% of the grapes grown in the State of Oregon. Southern Oregon growers now produce more fruit than can be processed solely by our wineries, and 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 proposed amendments to Senate Bill 111 run counter to any attempts to encourage new markets outside the state. Restricting the market for Southern Oregon fruit could impose severe economic hardship on growers and wineries as well as on our surrounding communities. The goal 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 amendments to SB 111 are intended to limit or otherwise discourage out-of-state winemakers from producing and marketing wines made from grapes grown in Oregon. This is done by 1) requiring labels to include "Vinified in (state)", and 2) prohibiting the use of the name "Oregon" or the name of any AVA located wholly or partially within the state of Oregon in the brand or trade name.

Winemaking 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 amendment, however, seems to benefit only Oregon winemakers, while have the unintended consequence of significantly harming Oregon growers (especially in Southern Oregon). The proposed amendment is 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, Southern Oregon Winery Association