

To: Senate Judiciary Committee

From: Oregon Wine Industry Coalition

Date: March 19, 2019

Re: Opposition to Senate Bill 111

We write to you today in strong opposition of Senate Bill 111. SB 111 will be financially devastating to our businesses and the Oregon wine industry as a whole, because it devalues Oregon grapes that are sold to out of state wineries.

SB 111 is the product of a private business dispute between California winery Copper Cane and Willamette Valley Vineyards. SB 111 does not represent the best interest of the Oregon wine industry as a whole. Although we support legislation to clarify Oregon tax law and protect consumers from misleading labeling practices, SB 111 does not achieve these goals. Instead, it benefits some local wine businesses at the expense of other Oregon wine businesses and the Oregon wine industry as whole.

The signatories to this letter represent nearly half the wine production in Oregon. We have come together in a very short amount of time to express our opposition to SB 111, for the following reasons:

- SB 111 devalues Oregon wine grapes. Oregon winegrowers now produce more fruit than can be processed solely by Oregon wineries. 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. SB 111 would prohibit out of state wineries that produce wine from Oregon grapes from labeling this wine as "Oregon" wine. Because the Oregon brand is so valuable, this prohibition would depress the value of these grapes and potentially all wine grapes produced in Oregon.
- SB 111 is deceptive. Proponents of SB 111 have promoted the measure as "Truth in labeling." We agree with this goal, but SB 111 will cause consumer confusion. The bill's labeling requirements draw attention away from the place of origin of the grapes, to the place where the wine was vinified. This could give consumers the impression that where the grapes are grown is less important than vinified. We believe that the success of the Oregon wine industry is rooted in the quality of our grapes, and therefore that this labeling emphasis could hurt our reputation.
- The 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 the details of the bill are much different than the broad concepts that have been presented to the industry by proponents.
- The bill may be unconstitutional. SB 111 restricts the free speech rights of private wine businesses by dictating what wineries must say on their labels in order to privilege some Oregon wine businesses over others. The state has no legitimate interest in deciding which Oregon grapes may be associated with the Oregon state brand.

For these reasons, we respectfully request that you stop SB 111.

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 Celtic Moon
 Del Rio Vineyards
 Dinsdale Vineyards
 Finley Bend Vineyard
 Firesteed
 Foris Winery
 Grestoni Vineyards
 Hillcrest Vineyards
 Melrose Vineyards
 Naumes Vineyards and Winery
 North West Wine Co
 Padre Properties
 Pallet Wine Company
 Paul O'Brien Winery
 Shea Vineyards
 Siltstone Wines and Vinetenders
 Union Wine Company
 Wine Makers Investment Properties
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A to Z
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