



To: Oregon Senate Judicial Committee & Oregon Wine Board
From: Teal Stone, Blue Heron Vineyards, LLC
Re: Opposition to SB 111-4 proposed changes

First of all I would like to thank you for your services to our State and the dedication of your careers to improving issues big and small.

I am writing on behalf of my family owned and operated business, Blue Heron Vineyards, to offer our point of view on SB 111-4.

My husband and I manage our 600 acre vineyard in Roseburg, Oregon that we planted on land that has been in my family for nearly 20 years. When we converted our land from cattle pasture to vineyard, we were looking to our future as well as the future of the Oregon wine industry. Because the lifespan of a commercial vineyard is 30 years and you only reap a harvest once a year in grapevines, it is important to look **far** into the future.

Blue Heron Vineyards opposes SB 111-4 due to its lack of foresight.

At the time of our plantings (2011-2014) we had planting contracts for all of our vines and up to 5 years of their production. We saw the Oregon wine industry gaining headway in a crowded marketplace between California and Washington and felt good about our business and its foreseeable growth. There was a time between 2013 - 2015 that our young vines couldn't produce enough fruit to fill our Oregon buyers' needs, and they would have taken every grape we could give them.

From 2016 until present there has been a seismic shift in the marketplace and an oversupply that couldn't be absorbed by Oregon wineries alone. Growers have been forced to look to out of state buyers, or throw their crop on the ground. With the droughts in California and the amount of grapes for sale in Oregon this trend will continue. It is not a bad thing. More buyers will drive competition. More competition will result in higher quality wine across the state. This competition will result in things that make all parties happy: better fruit produced by growers, increased Oregon wine sales, higher bottle prices, and increased tourism.

As a state, California produced over 250,000 tons of Pinot Noir alone in 2016¹. Oregon produces around 85,000 tons of grapes across ALL varieties². Why would Oregon put ANY kind of restriction on itself to growers or winemakers when we are competing with California who produces 3 times our state's production in **one** variety. To us it would make the most sense to give Oregon growers, winemakers, and buyers all the incentives and resources possible to continue to grow this industry. We envision a day

¹ <https://www.wineinstitute.org/resources/winefactsheets/article95>

² <https://industry.oregonwine.org/wp-content/uploads/2016-Oregon-Vineyard-and-Winery-Census.pdf>

when Oregon wine can actually be in the running with the crowded shelf space and wine lists we see full of California wines (no matter who is doing the winemaking).

Blue Heron Vineyards opposes SB 111-4 due to its limiting or inhibiting a free market.

For our business it has been vital to have buyers for our fruit before we harvest. We currently sell almost all of the fruit we produce to Oregon wineries: A to Z Wineworks, Erath, and Union Wine Company. We are not a big corporation, nor do we have a winery to put our fruit into. We work tirelessly year round to produce high quality, saleable fruit and have been fortunate to work with such great Oregon companies. With one harvest per year in vineyards, it means we only have one chance to secure revenue each year in order to have enough income to farm the next years crop. Vines are labor intensive (i.e. expensive) to farm and cannot take years off like a field or seed crop. The idea of limiting or inhibiting who growers can sell fruit to in any capacity is wrong. This is our livelihood.

This year we find ourselves for the first time needing to sell 120 tons of fruit. For reference this is enough fruit to make nearly 7,600 cases of wine (this is easily double what most Oregon wineries make each year). Where should this fruit go? Today, these vines have already had farming cost sunk into them that we will not get back unless we sell the crop. We are actively looking to companies across Oregon, California, Washington, and as far out as Wisconsin to buy our fruit. I hope an Oregon company buys our fruit, but I am also excited by the potential of an out of state buyer seeing something special in Oregon Pinot Noir with the intention to grow Oregon Wine in the marketplace.

Blue Heron Vineyards opposes SB 111-4 due to the fact it is unnecessary.

Oregon wine is successful, it is popular with consumers! Why is there a need to change something that is working? Copper Cane has made reparations for their oversights, and there are already state and federal laws governing labels. I have hesitated even taking time to write this letter or partaking in anything to do with these bills, as they take away time from what our business does best: grow high quality production fruit at scale. I also hate to think of the time those of you reading this have spent on this issue. Or the time it has taken away from Oregon winemakers so that they can't focus on what they do best: make high quality wine by any means possible and continue to grow the Oregon brand as a whole.

Thank you for your time,

Teal Stone

Owner, Vineyard Manager

Blue Heron Vineyards