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**House Committee on Behavioral Health
Testimony in Opposition to the Minimum Pricing Study in HB 3377
March 22, 2021**

Wine Institute (WI) is a public policy association representing 1,000 California wineries and associate members. Section 9 of HB 3377 requires the Oregon Health Authority to study the “optimum minimum pricing” for malt beverages, wine and cider to allow consumer access and dissuade overconsumption and abuse. WI opposes artificial barriers to the marketplace, including minimum pricing policies and does not believe that this study is the best use of limited State funds.

Discussions around minimum pricing typically include some type of formula including alcohol by volume and minimum price per unit of alcohol, resulting in an artificial price floor. There are many factors that go into the pricing decisions made by wineries, including costs of production (goods/inputs, packaging, delivery, and overhead), marketing, sales and distribution. Setting an artificial floor on prices skews the marketplace and hurts consumers. If wineries can lower costs, savings can be passed along to consumers in lower prices. A price floor prevents the possibility of such consumer savings.

Using artificial pricing as a mechanism to enforce health policy disproportionately impacts low-income communities and those on fixed-incomes, while not truly acting as a detriment to those who prioritize the purchase of alcohol regardless of the price. The vast majority of wine consumers are not abusing our products and making volume brands more expensive simply targets those least able to absorb the higher prices. Problem drinking is not limited to those who can only afford to buy volume brands at lower prices.

The Oregon Liquor Control Commission (OLCC), the State’s alcohol regulator, is grappling with this issue relating to state controlled spirits. WI suggests postponing any additional study of minimum pricing until the OLCC’s regulatory process is complete and any impacts can be assessed.

For these reasons, WI urges the proposed minimum pricing study be deleted from HB 3377.