



Oregon Wine Council Support for SB 406 – Direct to Consumer Wine Shipping
Senate Committee on Labor and Business
February 2, 2021

The Oregon Wine Council, representing over fifty percent of Oregon Wine grapes grown, produced and sold, would like to express our support for Senate Bill 406, allowing wineries to ship up to five cases of wine per month directly to consumers.

As you know, Oregon's wine industry has faced multiple unprecedented challenges in the last year. The COVID-19 pandemic and related closures and operational limitation of both tasting rooms and restaurants significantly impacted our members' ability to sell their products directly to consumers and impacted sales for many Oregon wineries. The wildfires that engulfed the state in September further exacerbated what was a very challenging year for many of Oregon's wineries and vineyards of all sizes and in all regions of the state.

Despite these challenges, the wine industry has demonstrated its ability to adapt and adjust. Many wineries have found unique ways to ensure their products are able to reach consumers, especially those who they count on for regular sales, such as wine club members. These recurring sales are a vital piece of continued revenue, especially for many of Oregon's smaller wineries, who rely heavily on direct-to-consumer sales. In order to adequately adapt and ensure that the health and safety of all consumers are prioritized, many wineries have taken to shipping their wine to consumers, even to those recurring wine club members who otherwise would have picked up their wine in person, were it not for the pandemic. Many of these wine clubs also offer members an opportunity to add additional selections to their bi-annual or quarterly shipments with an additional member discount, yet Oregon's current two case per month limit prohibits these wineries from being able to ship those additional wine club selections in a timely manner.

Like all of Oregon's small businesses, wineries are doing everything they can to stay afloat and stay connected with consumers during these challenging times, which is why it is important that they be allowed to get their products to consumers. Even more important is ensuring that Oregon remains on equal footing with Washington and California wineries, which currently do not have shipping limits.

Oregon's wine industry partners have proposed increasing the current direct to consumer shipping limits to five cases per customer per month, an increase that will allow customers to continue to safely support Oregon's prized local wine industry during these challenging times. Thank you for considering the Oregon Wine Council's testimony in support of SB 406 – a lifeline for many of Oregon's prized small wineries – and we ask that you vote in favor of this bill.