



Re: SB 829, SB 830, and SB 831

Willamette Valley Winery Association (“WVWA”) proposals regarding conjunctive labeling and fruit sourcing requirements

Dear Committee Members:

I am writing to you on behalf of the Rogue Valley Winegrowers Association (“RVWA”) regarding the Association’s serious concerns about the WVWA’s proposal to change certain Oregon laws regarding labeling and fruit sourcing requirements. As you may know, the Oregon wine industry is widely known for its industry cohesiveness, collegiality, and solidarity. We believe that those attributes have been instrumental in the collective success of Brand Oregon in the domestic and international wine markets. Oregon is unique in having two state wide organizations—the Oregon Wine Board (“OWB”) and Oregon Wine Association (“OWA”)—dedicated to promoting Brand Oregon and aligning the interests of wineries across the state of Oregon. RVWA has communicated their concerns to the WVWA and tried to work in good faith with them to reach a resolution on these issues, but such efforts have not dissuaded them from their proposal. We believe that WVWA’s unilateral efforts to change Oregon’s wine laws are not in the interest of Oregon wineries, unnecessarily impose excessively restrictive regulatory burdens on the industry, and jeopardize the future success of Brand Oregon.

Summary of WVMA’s Proposals.

- SB 829: Conjunctive Labeling Requirement – Requires that if appellation of origin on wine label is an AVA in Oregon that is in a larger AVA, label must also identify larger AVA. Authorizes OLCC to exempt AVAs from requirement. Effective for wines bottled after January 1, 2023.
- SB 830: by 2023, wines from Oregon AVAs shall contain at least 95% of the grape variety on the label and other varieties listed somewhere on the label unless removed previously or part of the 18 warm climate varieties. By 2030, all Oregon wines, unless removed previously, shall be produced entirely from one variety of grape unless removed or part of the 18 warm climate varieties.
- SB 831: Requires that wine using an Oregon AVA as its source of origin or implying an AVA as its source be produced entirely from grapes grown in that AVA. Authorizes OLCC to grant variance or temporary exemption for specified cause and to exempt AVAs from requirement. Applies to wine labeled on or after January 1, 2023.

SB 829: We would not oppose this bill if it applied only to the Willamette Valley AVA, but oppose it in its current form as applying to the entire state.

SB 830 and 831: We oppose the overly restrictive, hypocritical, and unnecessary fruit sourcing requirements proposed by WVMA for the following reasons:

The Proposed Sourcing Requirements Are Not Necessary. The remarkable success of Brand Oregon and wines from the Willamette Valley is in part due to the existing regulatory framework. We believe that the existing regulatory framework strikes the right balance between sourcing requirements and flexibility.

Oregon already has some of the strictest sourcing requirement standards in the world—100% of the grapes must be from Oregon, 90% must be from the variety named on the label, and 95% of the grapes must come from the named AVA. In contrast, federal rules require only 75% of the named grape for most varieties and European Union rules only require 85%.

The WVWA raises legitimate concerns about the use of wine concentrates or comparable additives (e.g. mega purple) in Oregon wines and the potential for such use to erode the reputation of Brand Oregon and the wines of the Willamette Valley. That being said, the scope of WVWA’s proposed solution goes well beyond addressing such concerns. And, more importantly, such a concern can be more directly addressed by a more limited, tailored solution, such as prohibiting the use of such wine concentrates or requiring that the use of such concentrates be included on the wine label.

The Proposed Sourcing Requirements Are Excessively Restrictive and Burdensome. The WVWA proposal piles new regulatory requirements on top of a myriad of existing state and federal regulations applicable to the already heavily regulated wine industry. These regulations are excessively restrictive and impose additional burdens on Oregon wineries. Specifically, WVWA’s exclusive varietal content requirement is virtually unprecedented in the domestic and international wine industry. To the best of our knowledge, there are only two examples in the world and they are not comparable to the Willamette Valley or Oregon generally. Rias Baixas Albarino and varietal-designated Alsatian wines are the only two appellations where 100% of the grapes used in a wine must be the named variety. As an example, over 99% of all wine produced in Rias Baixas is white with the white Albarino grape representing 96% of all plantings. This example stands in stark contrast to Oregon and the Willamette Valley.

Winemaking is part art and part science. Imposing unnecessarily restrictive regulations necessarily restricts the creativity of the winemaker. Further, in a world with a changing and increasingly unpredictable climate, such requirements can prevent winemakers from addressing weaknesses in a particular harvest that are beyond the control of wine growers. There are potential unanticipated consequences that could emerge from these changes and damage the Oregon wine industry in the future. Finally, wineries that want to make Pinot Noir or Chardonnay from 100% of the varietal can already do so and promote that fact on the wine’s label. No legal change is required to allow an individual winery to choose to produce a wine from 100% of a particular varietal.

Collateral Damage to Brand Oregon. As mentioned above, part of the success of Oregon wines stems from the cohesiveness and comradery of the Oregon wine industry, the overall strength of Brand Oregon, and the united promotion of all Oregon wines by OWA, OWB, and the industry as a whole. We believe that the unity of the Oregon wine industry reflects the values and attributes of the state and Oregonians generally. We fear that these proposals will lead to the unravelling of this united industry, undercut the efforts of OWA, OWB and the industry, and result in material damage to Brand Oregon and Oregon’s wine growing industry.

Collateral Damage to Wine Growers and Wineries Outside of the Willamette Valley. The Oregon wine industry extends across the state of Oregon and is interconnected in many ways. A lot of fruit is grown

in Oregon outside of the Willamette Valley and much of that fruit is purchased by Willamette Valley wineries for use in their wines. These collective efforts have helped build the reputation of wines from both the Willamette Valley and Oregon generally. Wine growers in the Rogue Valley and beyond have planted and cultivated grapes just for Willamette Valley wineries. We have serious questions about the alleged benefits that WVWA holds out as coming from their proposals. For example, WVWA has raised the concern about large companies coming in and planting vineyards on the floor of the Willamette Valley and the potential impact of the resulting wines on the brand integrity of Willamette Valley wines. However, their proposal does nothing to address that concern. On the other hand, the collateral damage on winegrowers outside of the Willamette Valley who have long standing ties with Willamette Valley wineries will be felt across the state.

In summary, we believe that the impact of the WVWA's proposed fruit sourcing requirements will be detrimental to the overall Oregon wine industry. They are unnecessary, excessively restrictive, and impose collateral damage across the Oregon wine industry. We believe that the Oregon wine industry should continue its tradition of working together toward common goals and the health of the entire industry across the state.

We greatly appreciate your support regarding our concerns and assistance in protecting Brand Oregon and the Oregon wine industry.

Please let us know if you have any questions. You can contact me by calling 541 535 1838 AND/OR emailing me at kjohnpratt@gmail.com.

Best,

John Pratt, President, Rogue Valley Winegrowers Association

Note: Please use discretion with your personal information in written testimony (i.e., do not add personal information you do not want the public to see). All meeting materials, including your name and any personal information contained in the submitted documents, are posted to the Oregon Legislative Information System (OLIS) and are accessible to all major search engines, including Google, Bing, and Yahoo.