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## **Impact of Oregon Wine Industry on State's Economy Nearly Doubles since 2005**

**PORTLAND – July 14, 2011** – The Oregon wine industry is emerging as one of the state's most strategic agricultural industries based on its rapid growth and key contribution to Oregon tourism, according to a new study released today by the Oregon Wine Board. The study shows that the economic impact of Oregon's wine industry nearly doubled to \$2.7 billion since the last study in 2005.

The study, conducted by Full Glass Research, a Berkeley, Calif.-based market and industry research firm specializing in wine and food, was commissioned by the Oregon Wine Board, a semi-independent state agency managing industry marketing, research and education.

Since the last study was conducted in 2005, wine's contribution to the state's economy has grown by 93% during a time when the Oregon wine industry weathered the worst consumer recession in its history.

"This study reflects the amazing performance by what is rapidly becoming the state's leading agricultural industry," said Sam Tannahill, chairman of the Oregon Wine Board. "Oregon wine is really on a roll and we are poised to continue the kind of growth we have enjoyed recently as demand for our wines expands both nationally and internationally."

### **Outlook for continue growth remains positive**

The outlook for continued growth of the Oregon wine industry appears to be quite positive as familiarity with Oregon's high quality, artisan style of wines has increased among savvy wine consumers. Among core wine consumers, preference for Oregon wines climbed from 19% to 23% over the past five years.

Among those who had purchased Oregon wines in the past three months, agreement that the wines were unique increased from 48% to 65%. Those who considered Oregon wines of superior quality compared to other wines increased from 42% to 59% between 2005 and 2009.

“We have made some amazing strides during the last five years,” said Tannahill. “Oregon could not be in a better position to capitalize on the growing interest in the kinds of artisan quality wines that are being produced by our wineries. This report demonstrates why it’s a very exciting time for Oregon wine.”

The report contained a bevy of good news for Oregon’s 419 wineries and 849 vineyard owners who produce wine from grapes grown in the four primary regions of the state – the Willamette Valley, Southern Oregon, the Columbia Gorge and Walla Walla.

In 2010, wine-related jobs in Oregon totaled 13,518 and related wages were \$382 million. Oregon’s wineries produced 1.7 million cases of wine worth \$252 million in 2010 with about half of that being sold to customers outside of the state.

#### **Oregon wine seen as “significant destination driver”**

The Oregon wine industry makes a unique and valuable contribution to the state’s tourism industry as wine tourists tend to spend at a higher rate on hotels, restaurants and shopping while visiting Oregon. Indeed, Oregon tourism officials have determined that the wine industry is a key attraction and reason for why tourists visit the state.

“Wine is significant destination driver,” said Todd Davidson, CEO of the Oregon Tourism Commission. “And, according to our research, a visitor’s experience carries an afterglow when they leave the state. We found that 43% of Oregon visitors said they are more or much more likely to purchase Oregon products than before their trip to Oregon.”

Compared to the nation’s other top wine producing states, Oregon enjoys an enviable position, achieving the highest average price per ton of grapes and the highest average revenues per case of finished product. Oregon wineries not only weathered the recession well, but have bounced back with strong sales and increased distribution in 2010, according to the study’s findings.

During the last five years, Oregon wineries have made significant strides in increasing their markets outside the state through wine tourism, direct-to-consumer shipments and expanded relationships with distributors throughout the U.S. and overseas. Shipments of

Oregon wine into out-of-state distribution increased 94% and direct-to-consumer sales – including tourists and out-of-state residents – increased 133% since 2005.

When compared to its two larger wine-producing neighbors, Oregon has shown dramatically faster growth over the past five years. While California’s grape production grew at a 17% pace and Washington’s by 21%, Oregon’s production was up 38%, trailing only New York’s growth.

Compared to other agricultural products, wine typically adds more value and keeps more of its profit margin inside the state’s economy than other agricultural products. Oregon wine producers capture more of the overall revenue stream because they crush grapes and produce wine, but also do the packaging, marketing and selling to wholesalers or foreign importers.

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