



Hon. Kate Brown
Governor of Oregon
Salem, OR 97301

July 24, 2020

Dear Governor Brown:

As leaders of the Oregon wine industry, we want to reiterate our commitment to making our wineries, vineyards, and tasting rooms the safest possible for our valued workers and customers.

We appreciate your office including us, along with others in the restaurant sector, in developing food and beverage industry reopening guidelines. This has led us to place the highest priority on making sure our tasting rooms are safe for workers and customers with protocols in place for social distancing, face coverings, and cleaning.

Wineries are multi-faceted businesses, and many of our members have businesses that include vineyards, production facilities, and tasting rooms. As a result, our members are working diligently to follow the guidelines and rules issued by the Oregon Health Authority, the Oregon Liquor Control Commission, OR-OSHA, and the Oregon Department of Agriculture.

Additionally, our industry formed a task force to create guidelines specific to the industry, building upon all of the existing public guidelines in order to ensure we are doing everything we can in order to protect our employees and customers.

But the COVID pandemic has shocked our Oregon wine industry, unlike anything we've seen before.

Our overall wine sales are down considerably. Sales to out-of-state wholesalers have been cut in half for many. Our key restaurant customers have taken a huge hit and are recovering very slowly. And, with business uncertainty, many Oregon vineyards don't yet have signed contracts for grape sales to wineries this fall.

As you know, most of our wine industry is small businesses mostly in rural communities, and often times family run. Around 75 percent of Oregon's 800 plus wineries produce less than 5,000 cases of wine per year.

Our wine industry relies heavily on sales out of our tasting rooms. Some wineries will make more than half of their revenues through these direct to consumer sales through tasting room experiences. Our winery tasting rooms host visitors who live close by, a short drive within the region, or those coming to Oregon wine country nationally or internationally as a travel destination.



But COVID has eliminated our tasting rooms sales to out-of-state visitors, which have in the past created an important sales channel, both short term with spot sales, and longer term as ongoing wine club members.

In late April, the national group Wine America surveyed wineries on how COVID had affected their businesses during the time period of March 15 – April 15. Here is what Oregon wineries reported in the survey, compared to data the prior year:

- Tasting room sales: -71%;
- Tasting room visitors: -90% (sales could still occur, but without tastings);
- Direct-to-consumer sales: -15% (internet & phone orders);
- Wholesaler sales: -45%;
- 55% slowed production, and 12% stopped production;
- Wineries estimate buying 20% fewer grapes from vineyards this year.

This is a very challenging time for most Oregon wineries and vineyards as we head into an uncertain fall harvest and crush season. Since it appears the restaurant sector will take more time to come back, it is vitally important for our tasting rooms to be open so we can develop a customer base and make direct to consumer sales.

As you contemplate additional closures in the state, we ask you to consider keeping our winery tasting rooms open.

As mentioned above, we as an industry have worked hard to ensure our tasting rooms are safe for workers and customers with many protocols in place. Additionally, many of our wineries have ample outdoor space that is associated with our tasting rooms, and with the OLCC's temporary rule now in place wineries will be able to expand their outdoor footprint, so there is much more opportunity for social distancing in outdoor seating areas.

Our Oregon wine industry needs viable tasting rooms so we can survive this unprecedented COVID time. We remain committed to keeping Oregonians safe, and believe this can be done with through strict adherence to the guidelines that state and federal health officials have outlined.

We look forward to continued collaboration with your office and other state officials. We know you see the economic value our wine industry brings to Oregon. This is a crucial time for our wineries and vineyards, especially our smaller ones. We hope to partner with you as you contemplate key decisions about the future of our industry.

Sincerely,

Kevin Chambers
President
Oregon Winegrowers Association

Elin Miller & Ken Johnston
Co-Chairs
Oregon Wine Council