2019 OREGON WINE AT RETAIL

NIELSEN DATA FOR 52 WEEKS ENDING 12/28/2019

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OREGON WINE BOARD

OBSERVATIONS ON OREGON'S PERFORMANCE IN 2019

OVERALL: Oregon wine's growth in dollar value (+12.4%) and case volume (+12.1%) far outpaces the average category performance (+0.5% and -2.3% respectively).

COMPETITIVE REGIONS: Oregon's growth continues to outperform that of Washington State and California, despite commanding a significantly higher average price per bottle. This is true across the U.S. as a whole and in most of the major markets analyzed.

HOME MARKET: Oregon wine's growth rate is significantly lower in Oregon (+3%) than in the rest of the U.S. combined (+14%), which may be expected given its dominant market position across price points.

- Oregon wine commands 50%+ share of the $15 and up segment in Oregon compared with 4% share of that segment nationally.

PRICE TIERS: Total category growth is dragged down by low performance in the <$11 price range (-3% value / -4% volume); in tiers above $11, the category is growing at mid-single digits.

- Oregon's positive growth trajectory outpaces the category across all price tiers.

VARIETIES: Growth of Oregon Pinot noir and Chardonnay far exceeds the category in both value and volume.

AVERAGE PRICE: Oregon's price per bottle held steady at just above $16/bottle – more than 2x the category average.

PENETRATION: Oregon picked up 5.2 points of distribution, growing +13% to 45.6% ACV, meaning that at least one Oregon wine was scanned in more than 45% of Nielsen outlets during the year.

- The average number of items per point of distribution held steady (up +0.1 items to 6.2).

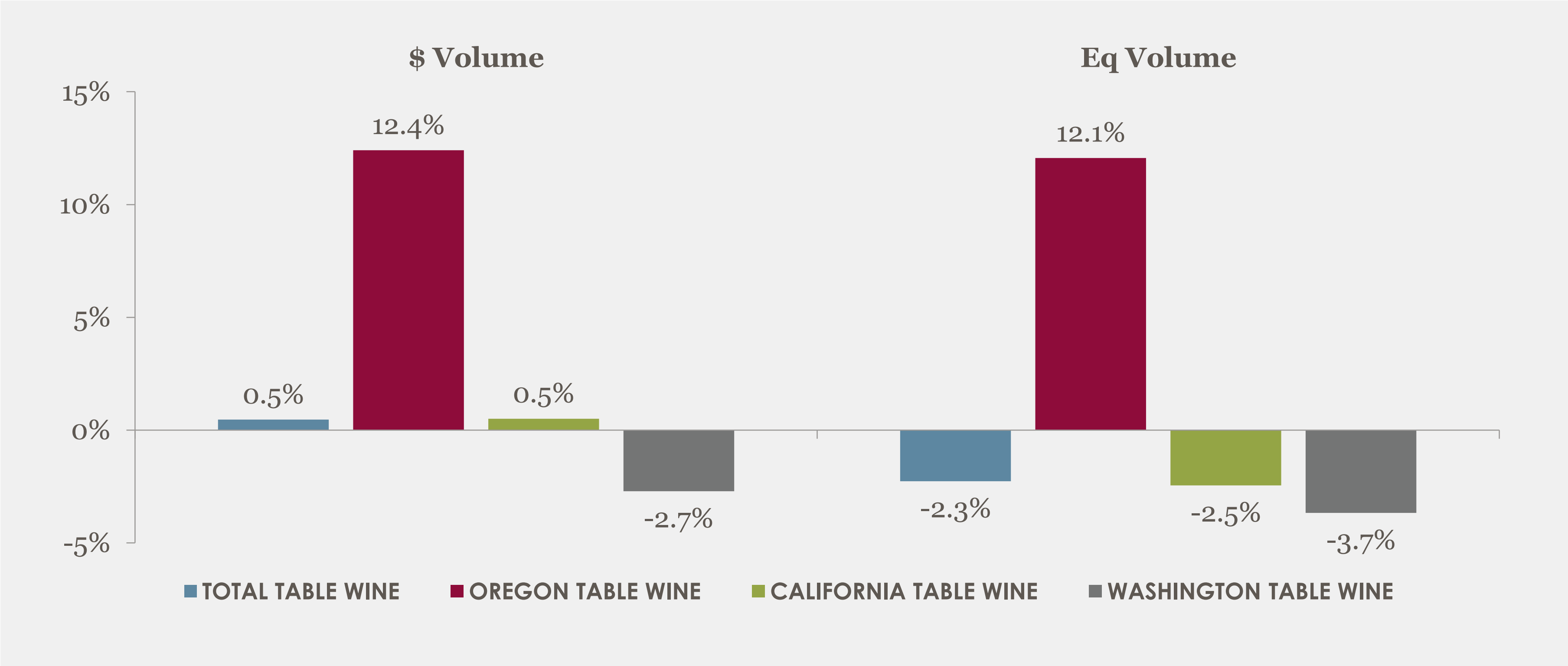
VELOCITY: Oregon's velocity, calculated as sales per point of distribution, has also grown steadily over the past few years and increased 1% in 2019.

NIELSEN'S RELEVANCE TO OREGON WINE

- The volume reported through Nielsen accounts for a substantial amount of Oregon sales[1]:
  - 26% of Oregon wine sold globally across all channels
  - 39% of Oregon wine sold through domestic wholesale channels outside of Oregon
- The 2019 report comprises 346 Oregon brands and 1,459 Oregon UPCs
- Nielsen's tracked outlets have grown substantially over the years to encompass as many channels as possible. Their modeling scales up scanned data to create a projection of the full universe of wine retail outlets. Stores scanned include:
  - Traditional Grocery stores
  - Liquor stores in many markets, including 16 major chains, e.g. BevMo, Total Wine, Binny's, Spec's, ABC Liquor
  - Mass merchandisers (Target, Walmart)
  - Club stores (BJ's, Sam's Club)
  - Drug stores and the Dollar channel

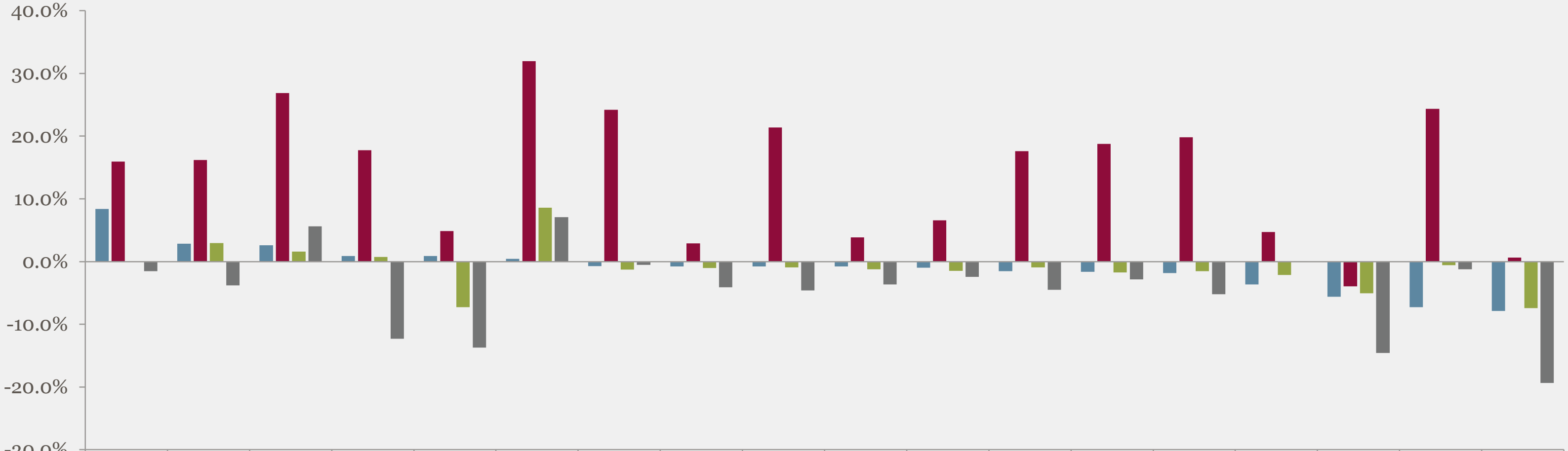
[1]Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/28/19 and 2018 Oregon Vineyard & Winery Report

GROWTH BY SEGMENT: NATIONAL



Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/28/19

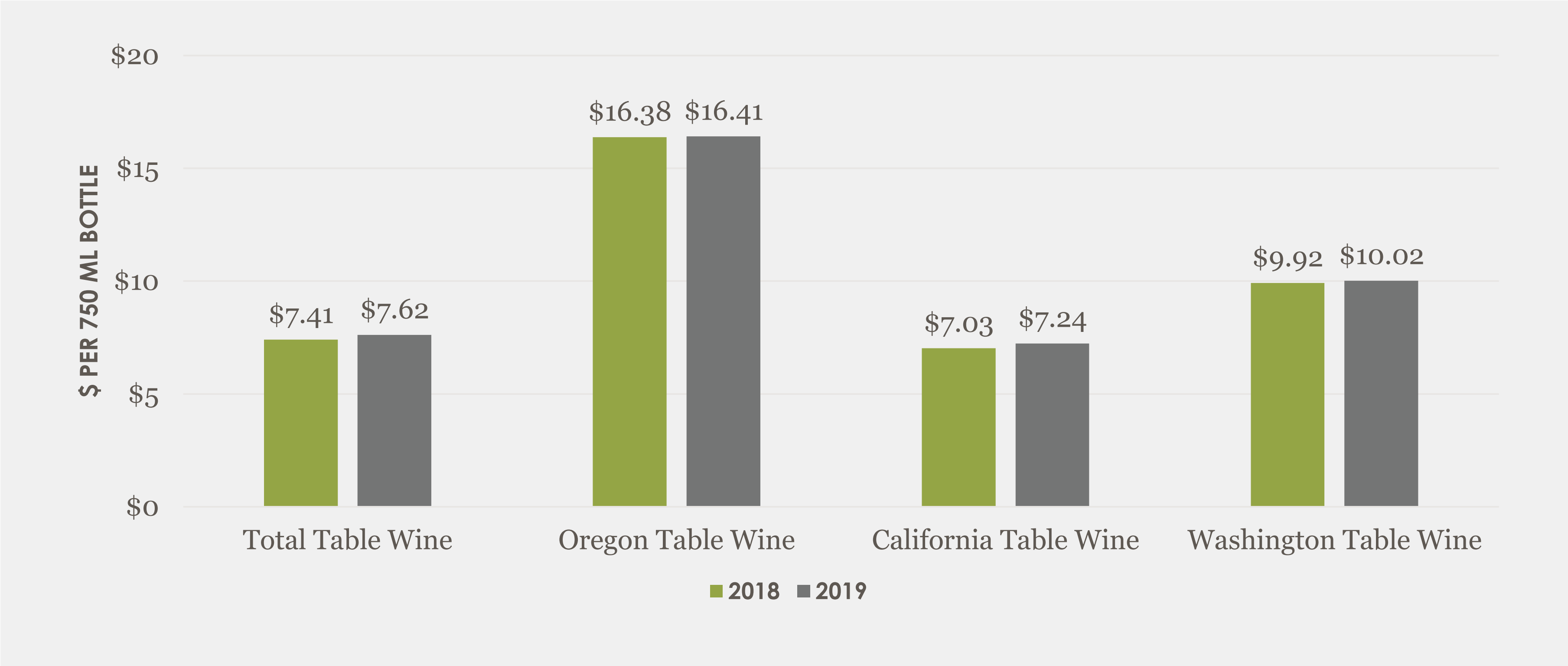
$ GROWTH BY SEGMENT BY MARKET



	Phoenix	Dallas-FtWorth	Tampa	San Francisco	Atlanta	Chicago	Miami	Oregon	New York	Portland	Seattle	Los Angeles	Boston	Washington DC	New Jersey	Minneapolis	Denver	San Diego
Total	8.4%	2.8%	2.6%	0.9%	0.9%	0.4%	-0.7%	-0.8%	-0.8%	-0.8%	-1.0%	-1.5%	-1.6%	-1.9%	-3.6%	-5.6%	-7.3%	-7.9%
Oregon	16.0%	16.2%	26.9%	17.8%	4.9%	32.0%	24.2%	2.9%	21.4%	3.8%	6.6%	17.6%	18.7%	19.8%	4.7%	-3.9%	24.3%	0.6%
California	0.0%	3.0%	1.6%	0.7%	-7.3%	8.6%	-1.3%	-1.0%	-0.9%	-1.3%	-1.5%	-0.9%	-1.7%	-1.5%	-2.1%	-5.1%	-0.6%	-7.4%
Washington	-1.5%	-3.8%	5.6%	-12.3%	-13.7%	7.1%	-0.5%	-4.1%	-4.6%	-3.7%	-2.4%	-4.5%	-2.9%	-5.2%	0.0%	-14.6%	-1.2%	-19.3%

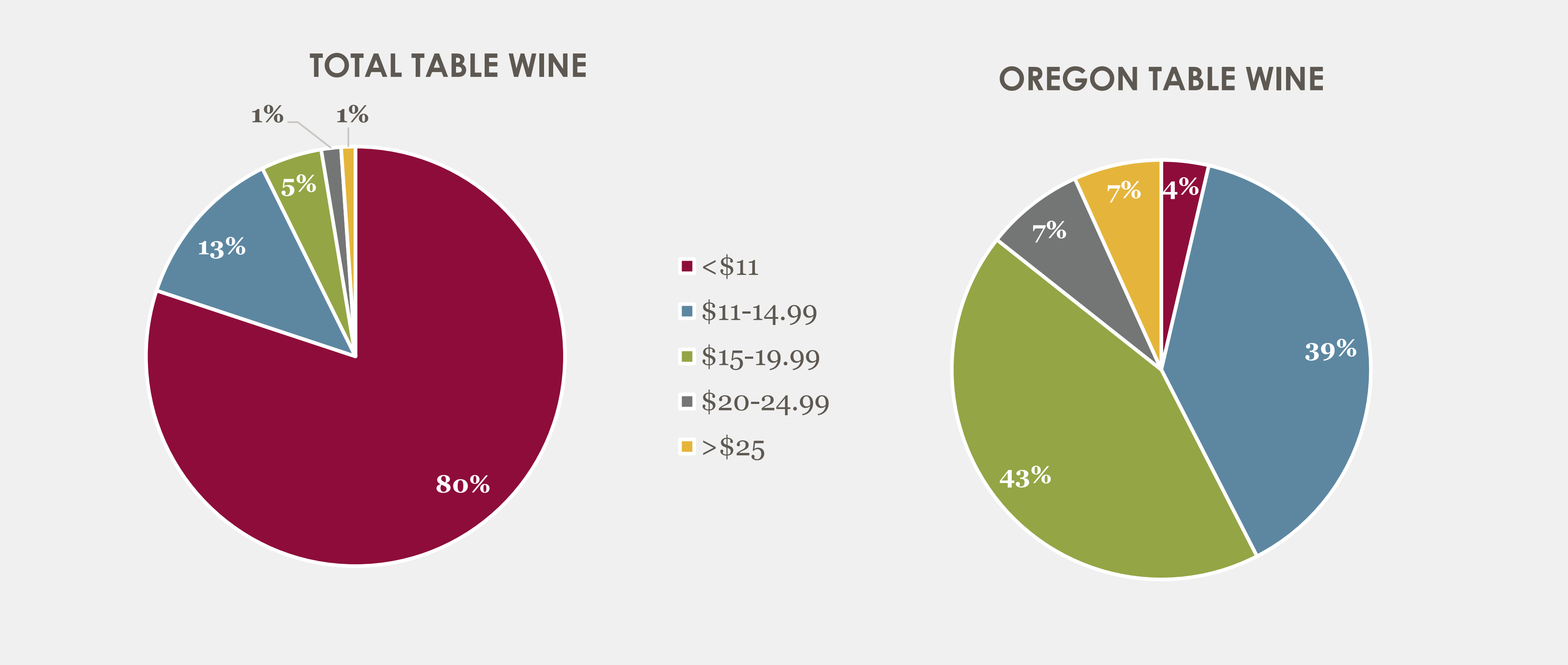
Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/28/19; markets listed in descending order of Total Table Wine growth rate

AVERAGE PRICE PER 750ML: NATIONAL



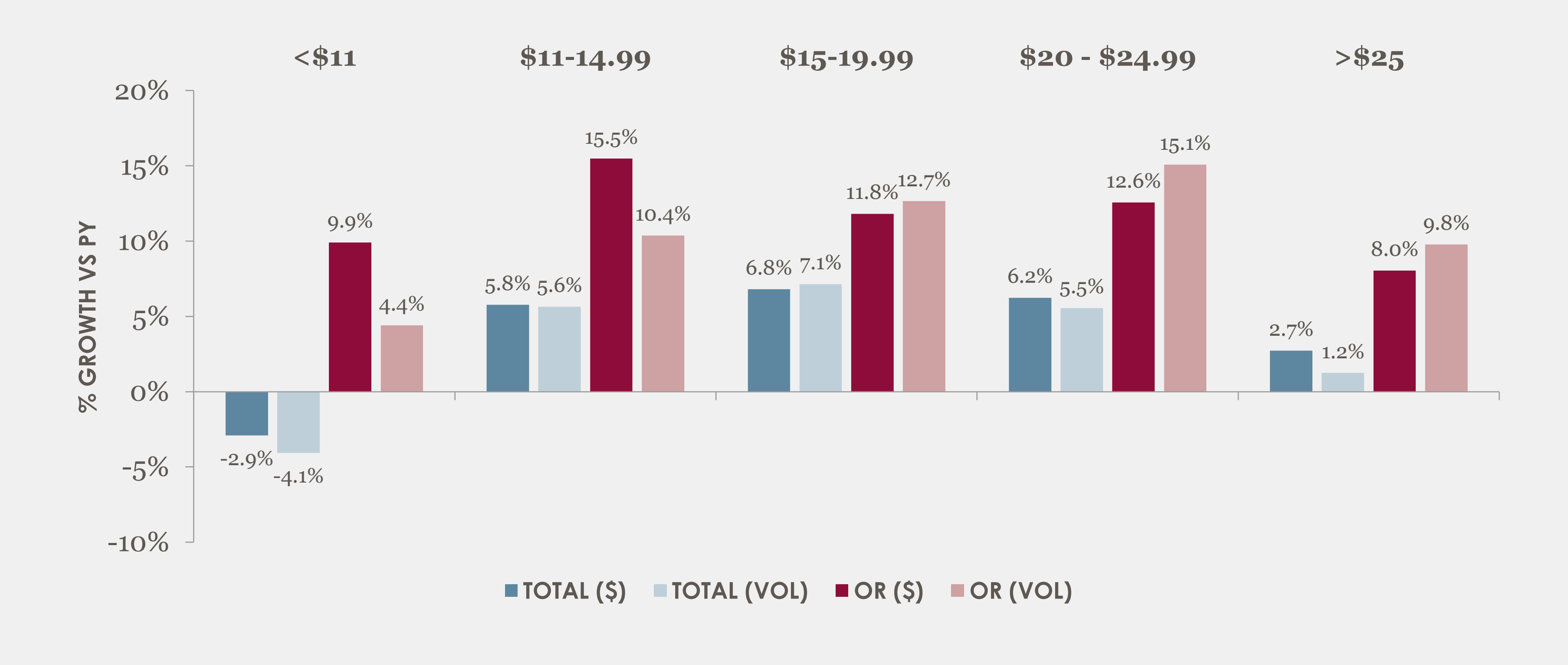
Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/28/19

% VOLUME SOLD BY PRICE TIER: NATIONAL



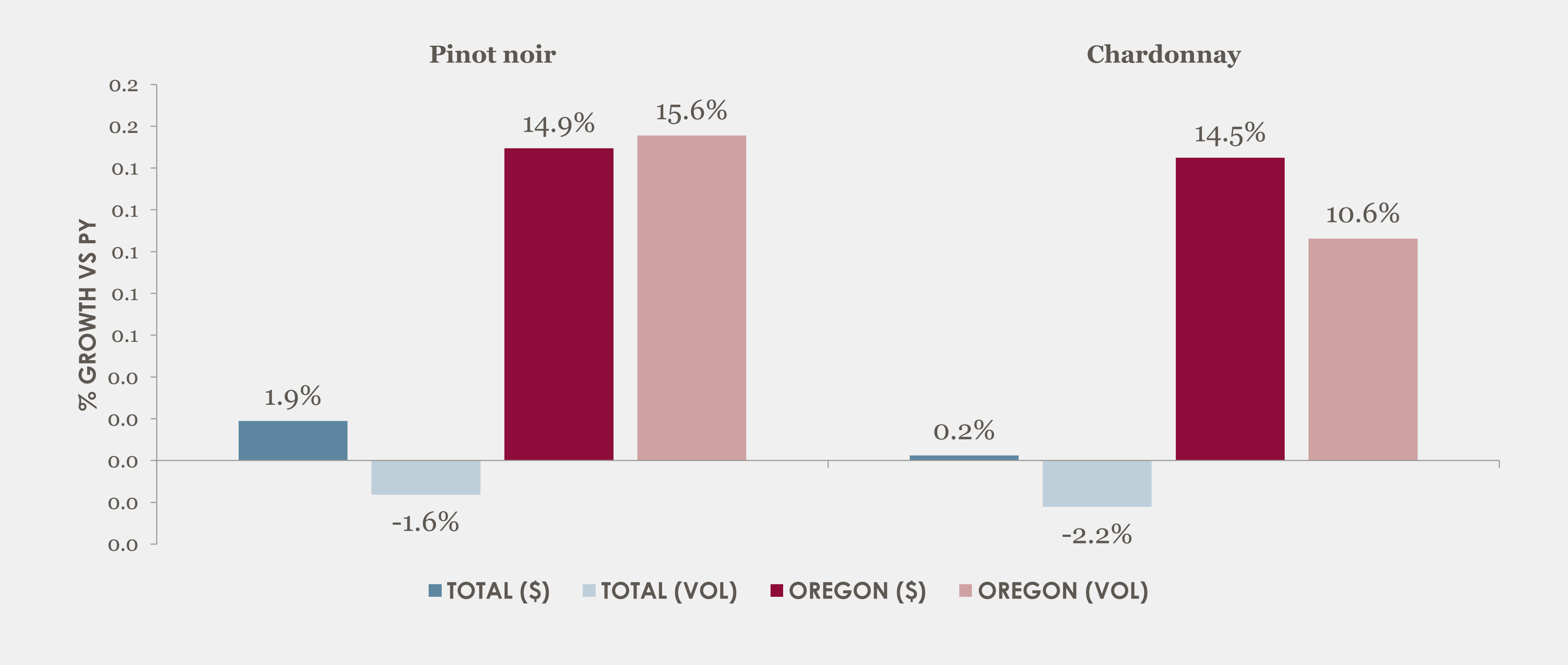
Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/28/19

GROWTH BY PRICE TIER: NATIONAL



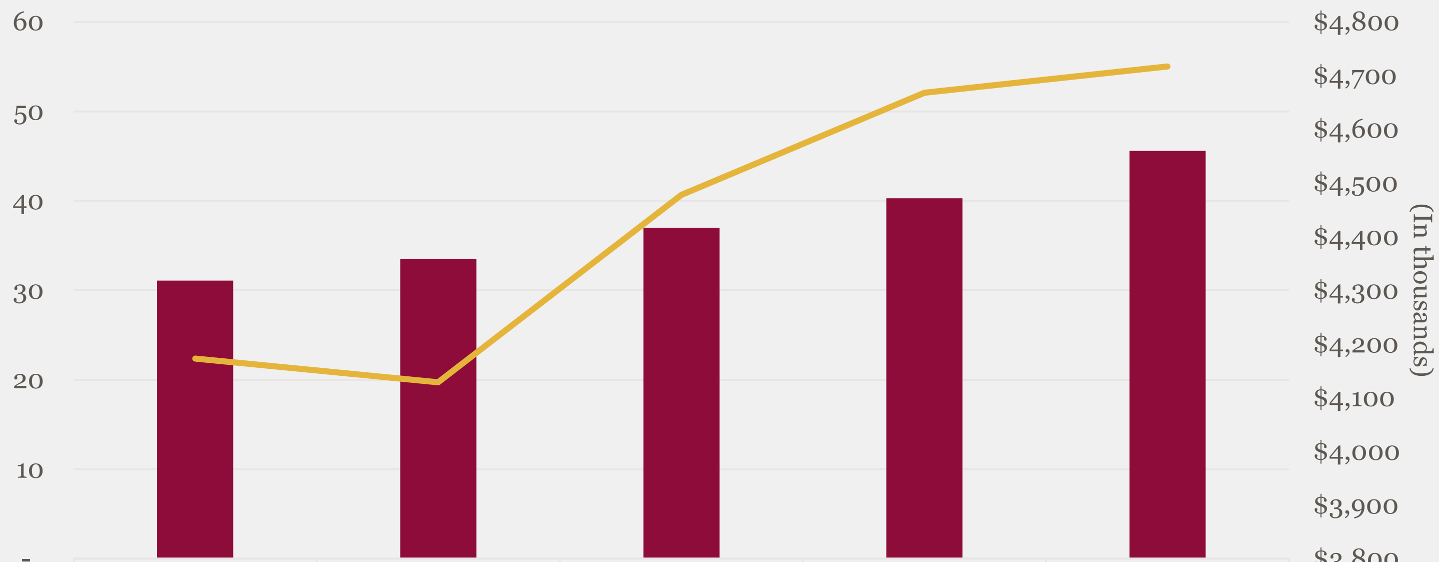
Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/28/19

GROWTH BY VARIETY: NATIONAL



Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/28/19

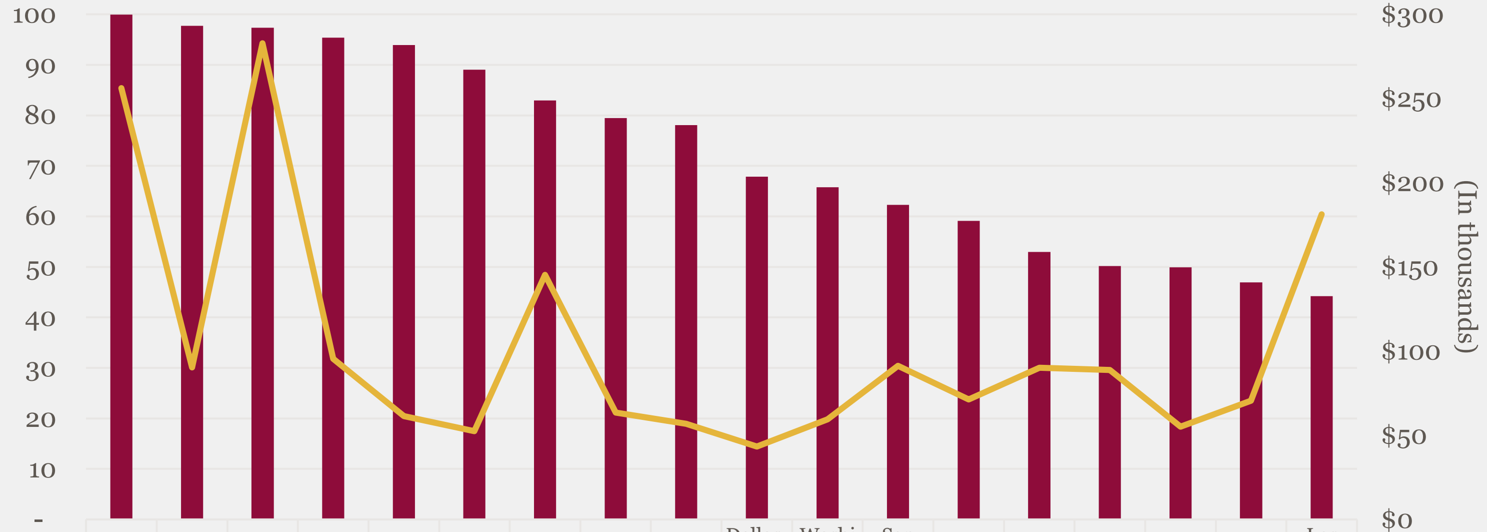
OREGON WINE DISTRIBUTION AND VELOCITY NATIONALLY OVER TIME



	2015	2016	2017	2018	2019
% ACV	31	34	37	40	46
$k/pt distribution	$4,173	$4,129	$4,478	$4,668	$4,717

Source: Nielsen, Total US xAOC + Liq Plus, 52 w/e 12/28/19

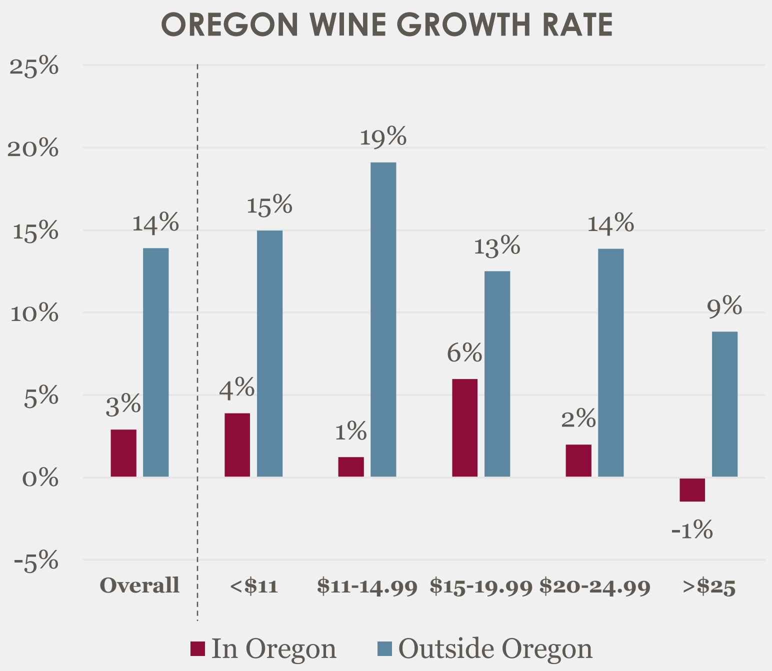
OREGON WINE DISTRIBUTION AND VELOCITY BY MARKET IN 2019

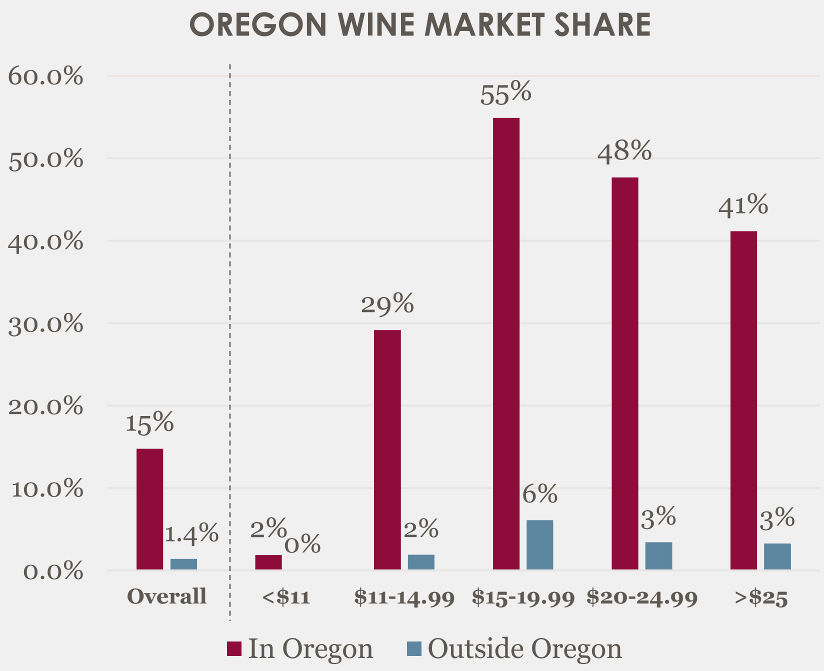


	Portland	Seattle	Oregon	Denver	Boston	Minneapolis	New York	New Jersey	San Diego	Dallas-FtWorth	Washington DC	San Francisco	Tampa	Phoenix	Chicago	Miami	Atlanta	Los Angeles
% ACV	100	98	97	95	94	89	83	79	78	68	66	62	59	53	50	50	47	44
$k/pt distribution	$256	$90	$283	$95	$61	$53	$145	$63	$57	$43	$60	$91	$71	$90	$89	$55	$70	$181

Source: Nielsen, 52 w/e 12/28/19

OREGON WINE IN AND OUT OF OREGON BY PRICE TIER



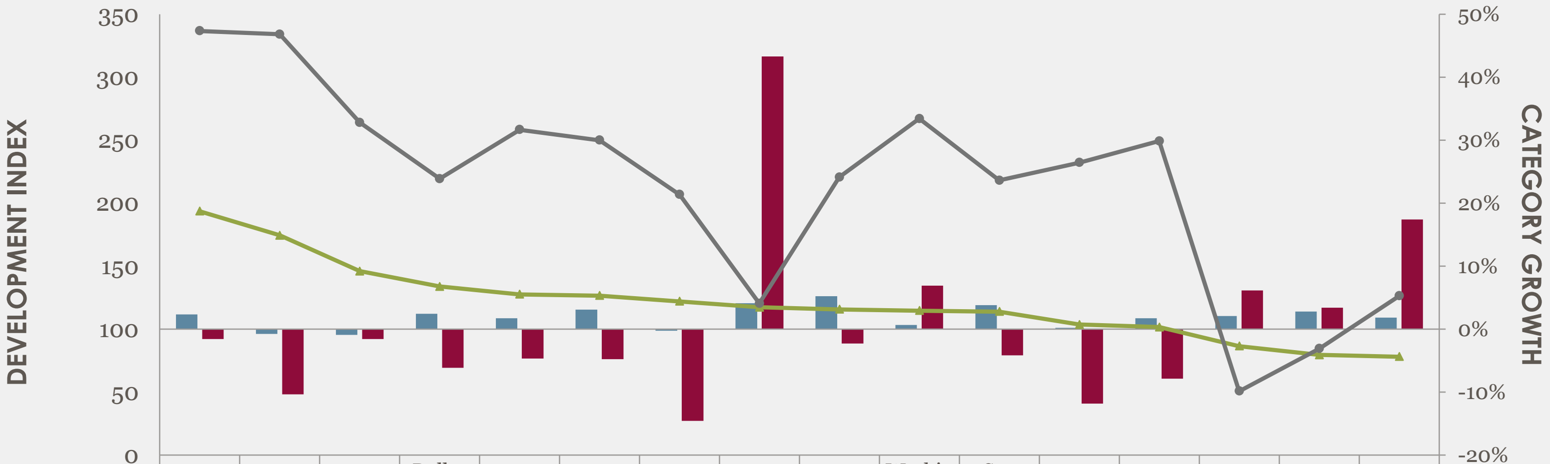


Source: Nielsen, 52 w/e 12/28/19

MARKET TRENDS BY PRICE TIER

- The following slides show several of the largest wine markets around the U.S.
  - Portland and Oregon markets are on separate charts due to Oregon wine's over-indexing which skews the graphs
  - Markets are listed in descending order of category growth within the price segment
- The development index indicates the segment's performance in that market relative to the U.S. as a whole
  - Typically, a category / brand may be considered "underdeveloped" with an index below 85 and "overdeveloped" with an index above 115
- Wineries might choose to look at the chart that represents the price tier they want to play in. Then, they could see how Oregon is performing compared to the category in that price tier in a given market, and how well developed the price tier (and Oregon's position within it) is.

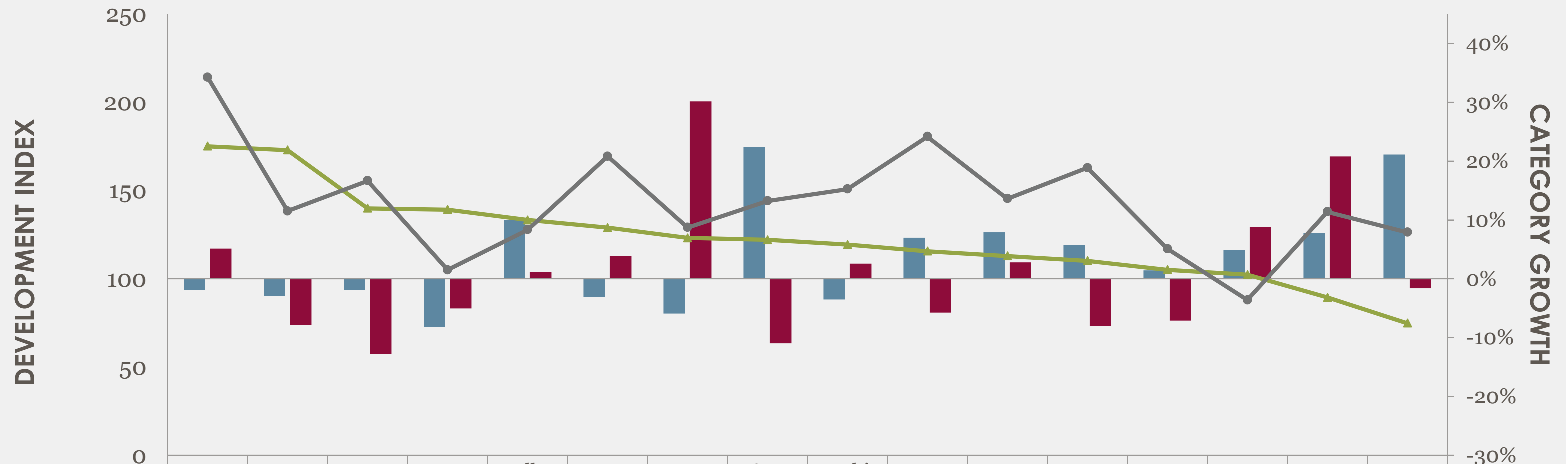
MARKET TRENDS: $11-14.99



	Phoenix	Tampa	Atlanta	Dallas FtWorth	Chicago	New York	Miami	Seattle	Boston	Washington DC	San Francisco	New Jersey	Los Angeles	Minneapolis	San Diego	Denver
Category	112	96	95	112	109	116	99	121	126	103	119	101	109	110	114	109
Oregon	92	48	92	69	77	76	27	317	89	134	79	41	61	131	117	187
Category $ Growth	18.7%	14.9%	9.2%	6.8%	5.5%	5.3%	4.4%	3.5%	3.1%	2.9%	2.8%	0.7%	0.3%	-2.7%	-4.1%	-4.4%
Oregon $ Growth	47.4%	46.8%	32.8%	23.9%	31.7%	30.0%	21.4%	4.1%	24.1%	33.4%	23.6%	26.4%	29.9%	-9.9%	-3.1%	5.3%

Source: Nielsen, 52 w/e 12/28/19

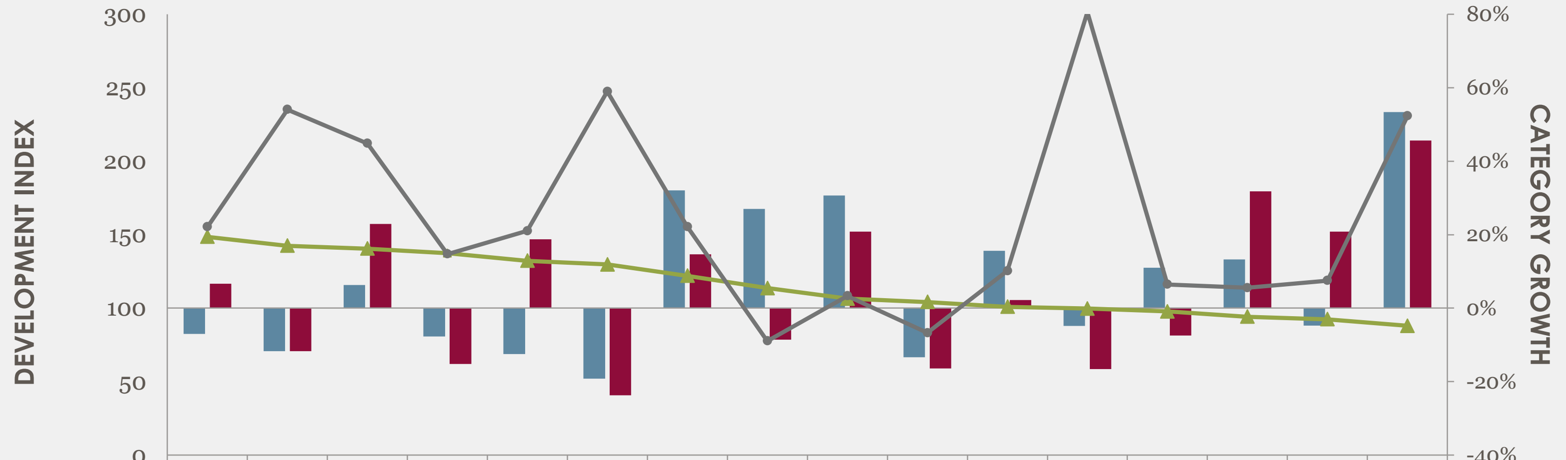
MARKET TRENDS: $15-19.99



	Phoenix	Tampa	Miami	Atlanta	Dallas FtWorth	Chicago	Seattle	San Francisco	Washington DC	Los Angeles	Boston	New York	New Jersey	Minneapolis	Denver	San Diego
Category	93	90	94	73	133	90	80	175	88	123	126	119	105	116	126	170
Oregon	117	74	57	83	104	113	201	63	109	81	109	73	76	129	169	95
Category $ Growth	22.5%	21.9%	12.0%	11.8%	10.0%	8.7%	6.9%	6.6%	5.8%	4.7%	3.9%	3.1%	1.5%	0.7%	-3.2%	-7.5%
Oregon $ Growth	34.3%	11.5%	16.6%	1.5%	8.3%	20.8%	8.7%	13.2%	15.2%	24.2%	13.6%	18.9%	5.1%	-3.6%	11.4%	7.9%

Source: Nielsen, 52 w/e 12/28/19

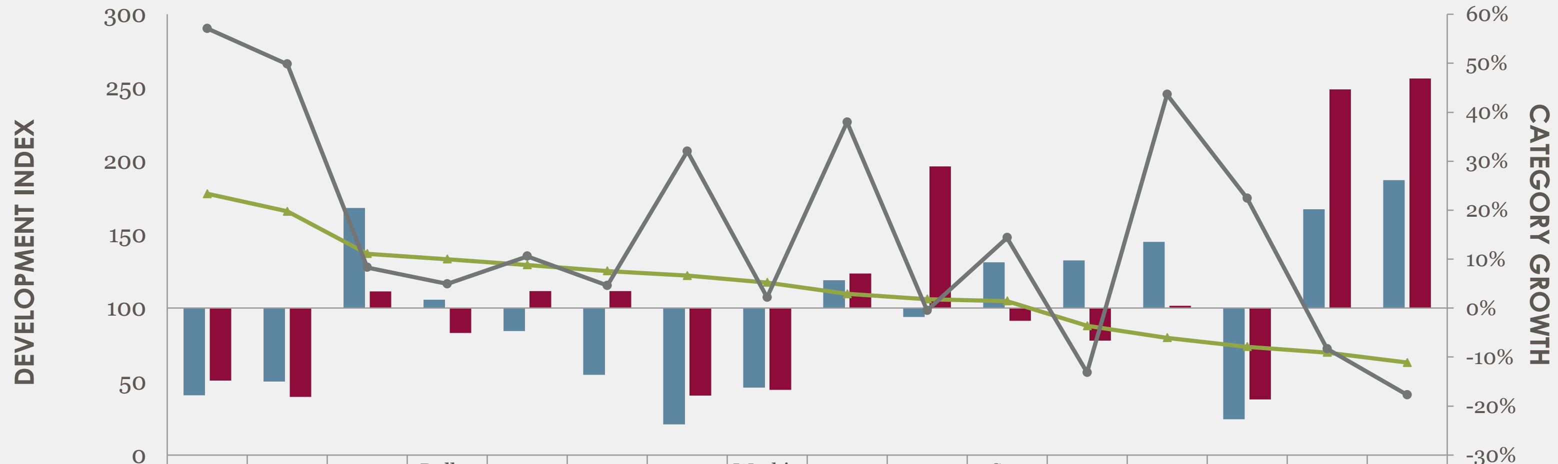
MARKET TRENDS: $20-24 .99



	Phoenix	Tampa	Dallas FtWorth	Chicago	Seattle	Atlanta	San Francisco	Los Angeles	New York	Washington DC	Boston	Miami	New Jersey	Denver	Minneapolis	San Diego
Category	82	71	116	81	69	52	180	168	177	67	139	88	127	133	88	233
Oregon	116	71	157	62	147	41	137	78	152	59	106	59	81	180	152	214
Category $ Growth	19.4%	17.0%	16.2%	15.0%	12.9%	11.9%	8.8%	5.5%	2.6%	1.6%	0.4%	-0.1%	-0.9%	-2.4%	-3.1%	-4.8%
Oregon $ Growth	22.1%	54.1%	44.8%	14.7%	21.0%	59.0%	22.1%	-9.0%	3.3%	-6.7%	10.1%	80.6%	6.5%	5.5%	7.5%	52.3%

Source: Nielsen, 52 w/e 12/28/19

MARKET TRENDS: $25+



	Tampa	Chicago	Los Angeles	Dallas FtWorth	Phoenix	Seattle	Atlanta	Washington DC	Boston	Minneapolis	San Francisco	New Jersey	New York	Miami	Denver	San Diego
Category	41	50	168	106	84	55	21	46	119	94	131	132	145	24	167	187
Oregon	51	40	111	83	112	112	40	44	124	196	91	78	102	38	249	256
Category $ Growth	23.3%	19.7%	11.1%	10.0%	8.8%	7.6%	6.6%	5.2%	2.9%	1.8%	1.4%	-3.6%	-6.1%	-7.9%	-9.1%	-11.1%
Oregon $ Growth	57.1%	49.8%	8.3%	4.9%	10.6%	4.6%	32.0%	2.2%	37.9%	-0.5%	14.4%	-13.1%	43.6%	22.4%	-8.3%	-17.7%

Source: Nielsen, 52 w/e 12/28/19

THANK YOU

OREGON WINE BOARD

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