

Oregon Wine Industry

Collaborative Forum for Strategic Issue Resolution

Meeting Summary

August 11, 2020

2:00-5:00pm

ACTION ITEMS:

ACTION	BY WHOM?	BY WHEN?
<ul style="list-style-type: none"> An updated draft of the Working Agreements will be sent to the collaborative group with an ask for a 'consensus check' for approval 	OS/OC	Prior to the next meeting
<ul style="list-style-type: none"> The project team will work to offer a proposed agenda for the next meeting 	OS/OC, OLCC staff, Gov's office	By the end of August

Meeting Attendees:

Project Team Members: David Adelsheim (WV-Chehalem Mountains), Ross Allen (RVVA), Barbara Steele (OWB), Bob Morus (OWB), Brian O'Donnell (WV-Yamhill-Carlton), Carrie Kalscheuer (WV-WVWA), Elin Miller (OWC), Jennifer Kerrigan (SOWA), Ken Johnston (OWC), Laurent Montalieu (OWC), Rob Wallace (OWC), Scott Steingraber (SOWA), Mike McNally (WV-WVWA), Brooke Robertson (OWA), Laura Naumes (SOWA), Michael Moore (RVWA), Alex Sokol-Blosser (OWA), Justin King (OWB), Chad Day (SOWA), Andy Steinman (WV-Eola-Amity Hills), Donna Morris (OWB), Scott Kelly (UVWA), Terry Brandborg (OWA), Sam Tannahill (OWC), Steve Marks (OLCC), Jeff Rhoades (Governor's Office)

Oregon Solutions & Oregon Consensus Facilitation Team: Robin Harkless, Karmen Fore, Peter Harkema and Jennah Stillman

OLCC Staff: Devon Morales and Kelly Routt

MEETING SUMMARY:

Welcome, Introductions and Agenda Review

Facilitator Robin Harkless welcomed the group and provided a brief overview on the process that had led up to this first project team meeting, which included but was not limited to, the 2019 legislative session, the Oregon Solutions Assessment Report and scoping effort conducted, as well as the communications in determining the designees to represent the industry for this segment of the

project. Robin then revisited the overall purpose of this process - to support the industry's collaborative strategic thinking- and the goals for this first meeting which were to confirm and operationalize communication agreements, roles and expectations for working together in this project and to help focus the industry for future unification and success; as well as invite an intimate discussion through small groups about the longer term view of what is most important for the industry to stay unified.

Oregon Solutions Director, Karmen Fore, shared that although this is not a designated project by the Governor, it is being supported by combining programmatic efforts of Oregon Solutions and Oregon Consensus for facilitation and staffing resources and will work with the broader support team to this effort, OLCC and the Governor's Office.

Governor's Office Remarks - Jeff Rhoades, Policy Advisor to Governor Kate Brown

Jeff Rhoades shared an update on addressing the current challenges from impacts of COVID-19 and phased statewide reopening. He noted that the Governor's Office is overseeing the process of new board member appointments to the Oregon Wine Board (OWB). Recognizing that the Governor has clearly indicated that racial justice must be central to informing the makeup of state boards and commissions, reflecting the diversity of Oregon and its communities, this will merit significant consideration in the nomination process of OWB candidates. The original deadline for nominations was the end of July, but in recognition of the additional processes underway, nominations can be sent to Jeff before the end of August. The appointments are intended to be made in October. Any questions, comments or concerns regarding the OWB governance process can be directed to Jeff, as he is committed to ensuring that this remains an informed and transparent process.

Getting Grounded: Review Draft Proposed Working Agreements

The project team confirmed that there was a desire to build a safe working space and acknowledged that the working agreements would assist the group in staying unified and developing joint strategies within this forum, working collaboratively on behalf of the industry and respective constituencies. There was a commitment to preserving a transparent process and agreement that the facilitation team will be responsible for documenting efforts to serve as an official record and be used as non-partisan communication out from the project team members to inform constituencies, which will support consistency, neutrality and equity. The group discussed, refined and reached consensus on the working agreements to move forward.

Action: An updated draft will be sent to the collaborative group with an ask for a 'consensus check' for approval.

Group Discussion on Industry Impacts

Acknowledging that the Oregon Solutions Assessment surfaced ‘external forces’ or ‘existential threats’ to the Oregon wine industry, the forum then separated into small groups to discuss challenges and opportunities in the near and long term, seeking to identify ways to maintain industry unity in light of these forces. It was recognized that discreet issues may impact different business models and regions differently.

The themes of the prominent impacts and challenges are summarized as follows:

- Changing landscape of consumer demographics and generational shifts
- Diminishing market share, issues of consolidation and increasing category competition (premade cocktails and hard seltzers gaining in retail)
- Regulations around direct to consumer channels, shipping and interstate laws
- Grape overproduction this year and challenges in planning future planting projections with uncertainties from COVID-19
- Labor challenges - High costs and increasing competition with other industries (cannabis and hemp). National immigration reform issues
- Lack of diversity in the industry as a whole
- Climate change and smoke taint
- Acknowledgement that Oregon is a comparatively small player in the world of wine
- Land-use challenges and competing alternatives to grape growing

The full group spent some time talking through these items, reflecting appreciation that there is a lot of commonality across the group; and beginning to explore potential solutions to the challenges - or as one member suggested - reframing these into opportunities. A note was made that it will be critically important, as the group takes a next step in these conversations, to approach the discussions with respect and open minds and hearts, if the group is to be successful.

Next Steps

The group acknowledged the uncertainty ahead through this transition of recovery and their desire to find further spaces of unification to support the success of diverse business models and all within the industry. Utilizing this forum, there is an opportunity to create working relationships and respect to bring opinions or ideas to the table, for the greater good of the industry. Moving forward with the prominent barriers identified, as part of the process the group will have the opportunity to gather information and brainstorm solution options on a given topic, discuss and evaluate the ideas, then work toward shared agreements on solutions.

It was acknowledged that September and October is a challenging season for participation due to the high tide of harvest. To that end, the group will strive to meet once or twice before that time and then pause during harvest season and resume efforts as soon as possible following. The project team

(OS/OC, OLCC staff, Gov's office) will work to offer a proposed agenda for the next meeting based on the rich discussion that began today.