

# Oregon Craft Distilling

State of the Industry, March 2022

Presented by: The Oregon Distillers Guild

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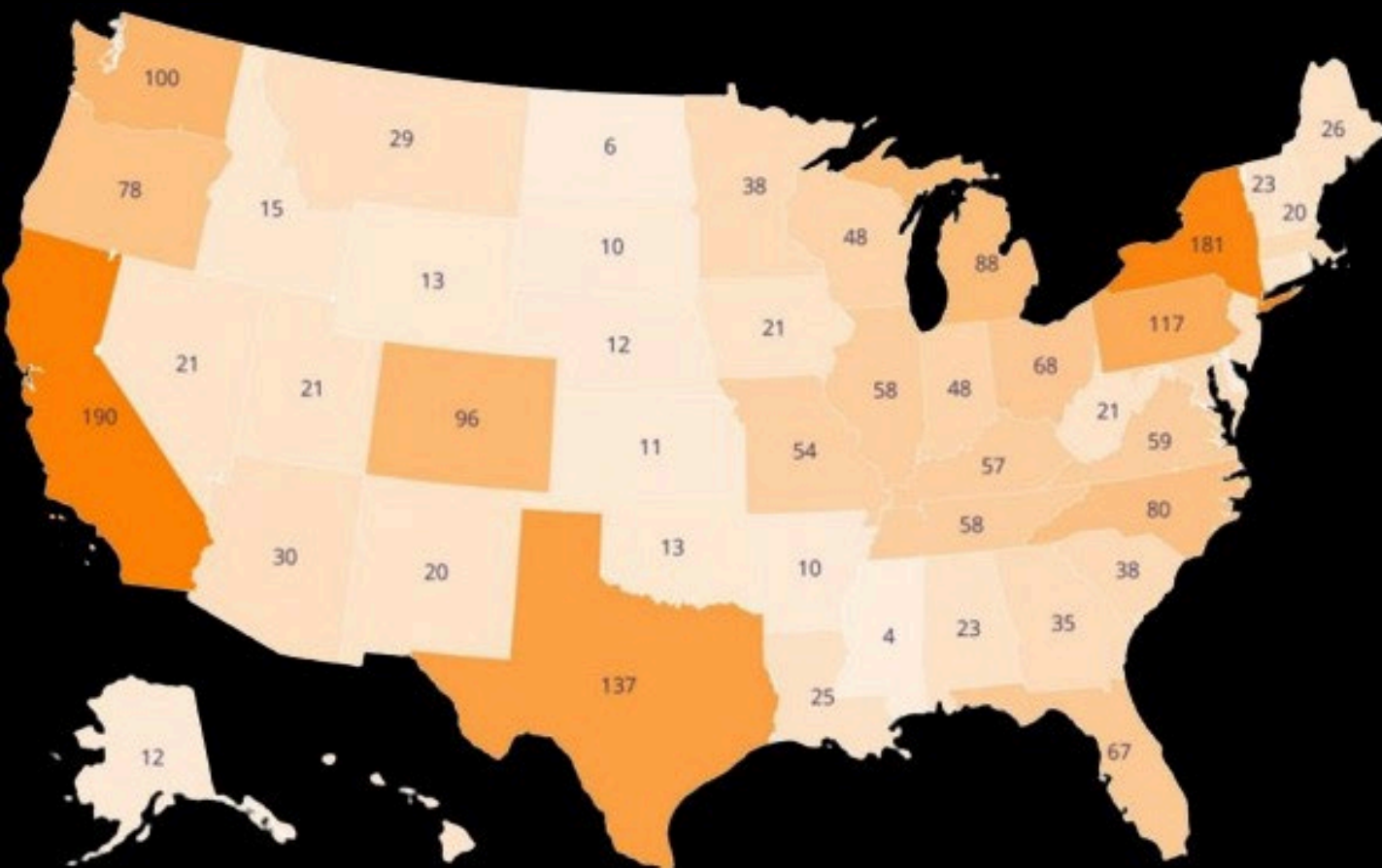




# Whiskey, Brandy, Gin and other spirits made in Oregon

- 1934, Hood River Distillers
- 1985, Clear Creek Distillery
- 1996, Bendistillery
- 1998, Edgefield Distillery
- 2004, New Deal, House Spirits (Westward Whiskey) and the beginning of the modern explosion of craft distilleries in Oregon
- 2007, “Who are all these young kids rocking the boat?” – Steve McCarthy, Founder of Clear Creek

# Craft Distilleries in the United States



State	Craft Distilleries	Population (millions)	Per Capita
Oregon	78	4.19	18.6
Washington	100	7.6	13.2
California	190	39.56	4.8
Colorado	96	5.77	16.6
Pennsylvania	181	13	13.9
New York	181	20.2	9.0
Michigan	88	10.97	8.0
North Carolina	80	10.4	7.7
Texas	137	29.1	4.7
Florida	67	21.5	3.1

# Total Distilleries





## Oregon Craft Distilleries: Our share of sales through OLCC stores

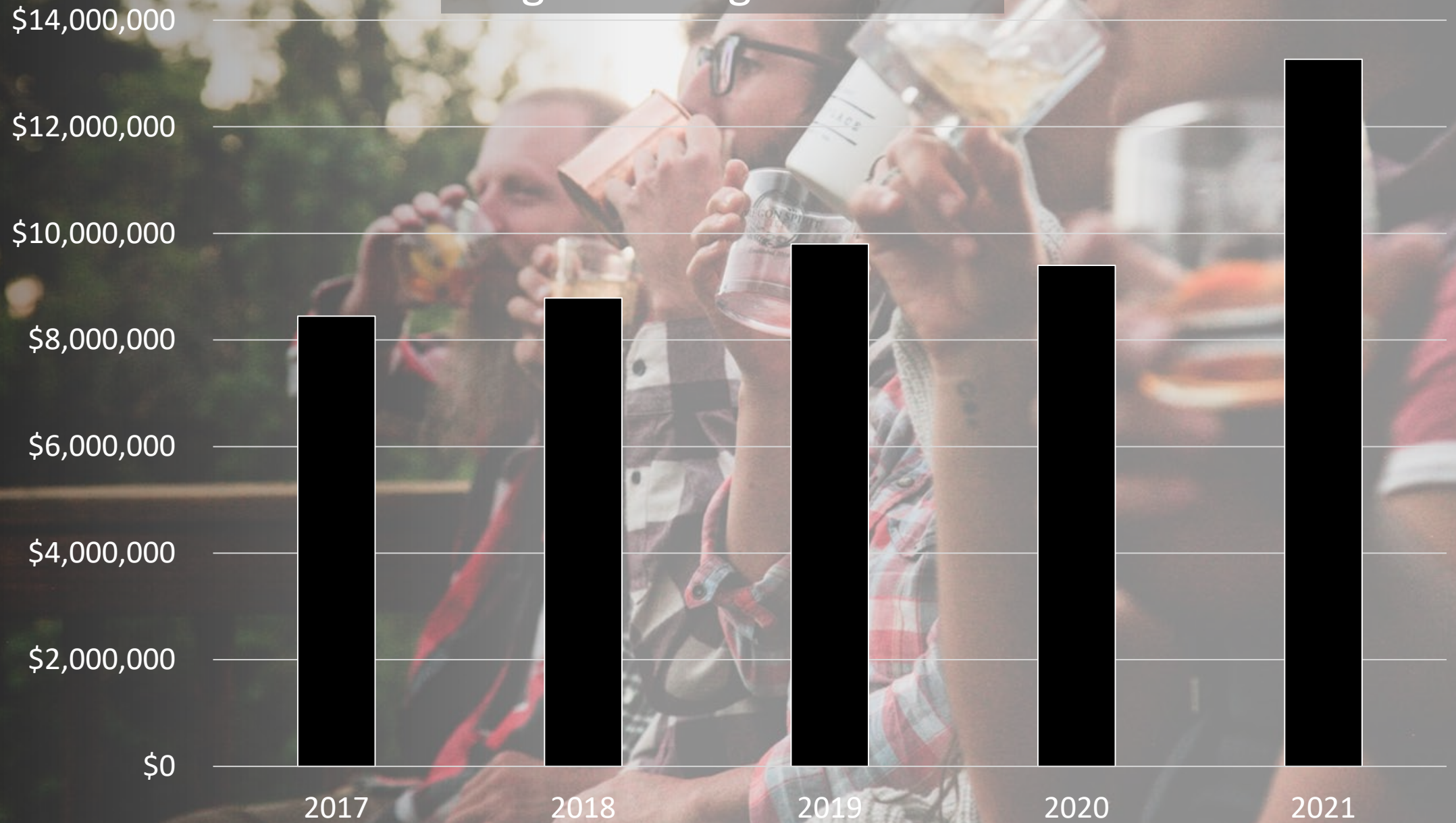


Year	Total	National	Oregon	National	Oregon
2020	\$743 million	\$680 million	\$63 million	91.47%	8.53%
2021	\$782 million	\$716 million	\$67 million	91.46%	8.54%

Note: 25% of Gin Consumed in Oregon is from an Oregon Distillery!



# Oregon Tasting Room Sales





# Covid-19: How we learned 8 new business models in 12 short months

- Severe disruption in everything
  - Bar business disappears, shift to at-home consumption
  - Tasting rooms closed
  - Online sales and curbside pickup allowed
- Survival Strategies
  - Emergency rule changes
  - PPP and other Government programs
  - Innovation & resilience





# Oregon Craft Distilleries Today



- Scrappy owner-operator business have become growing companies employing Oregonians
- We're resilient and willing to invest in our businesses long term
- Oregon makes world Class Spirit





# OREGON DISTILLERS GUILD

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EST. 2007

## Purposes

- Educational
- Legislative
- Promotional





Tourism



Traded Sector Jobs



Oregon Agriculture



# Distilling and Oregon Agriculture

A photograph of two men walking away from the camera through a field of tall, golden-brown grain. The man on the left is wearing a blue and white checkered shirt and a black cap. The man on the right is wearing a light-colored short-sleeved shirt and a green cap. In the background, there are rolling hills, some trees, and a small red structure. The sky is filled with soft, white clouds.

	Westward Whiskey	Oregon Spirit Distillers	Clear Creek Distillery	Branch Point Distillery
FTE's	45	27	3	3
Barrels	1500	600	366	100
Grain/Fruit	1.5Million	670,000	733,167	111,000



# ODG is against Privatization

Customer Choice & Convenience Act of 22

- Decreased Revenue for Oregon
- Reduced Sales of Beer and Wine
- Increased Access for Minors
- Damage OLCC Agent Stores
- Hurt Oregon Distillers







## SB316

- 2020
- Reduced Taxes on Tasting Rooms
- 4 Year Sunset
- \$250,000 cap

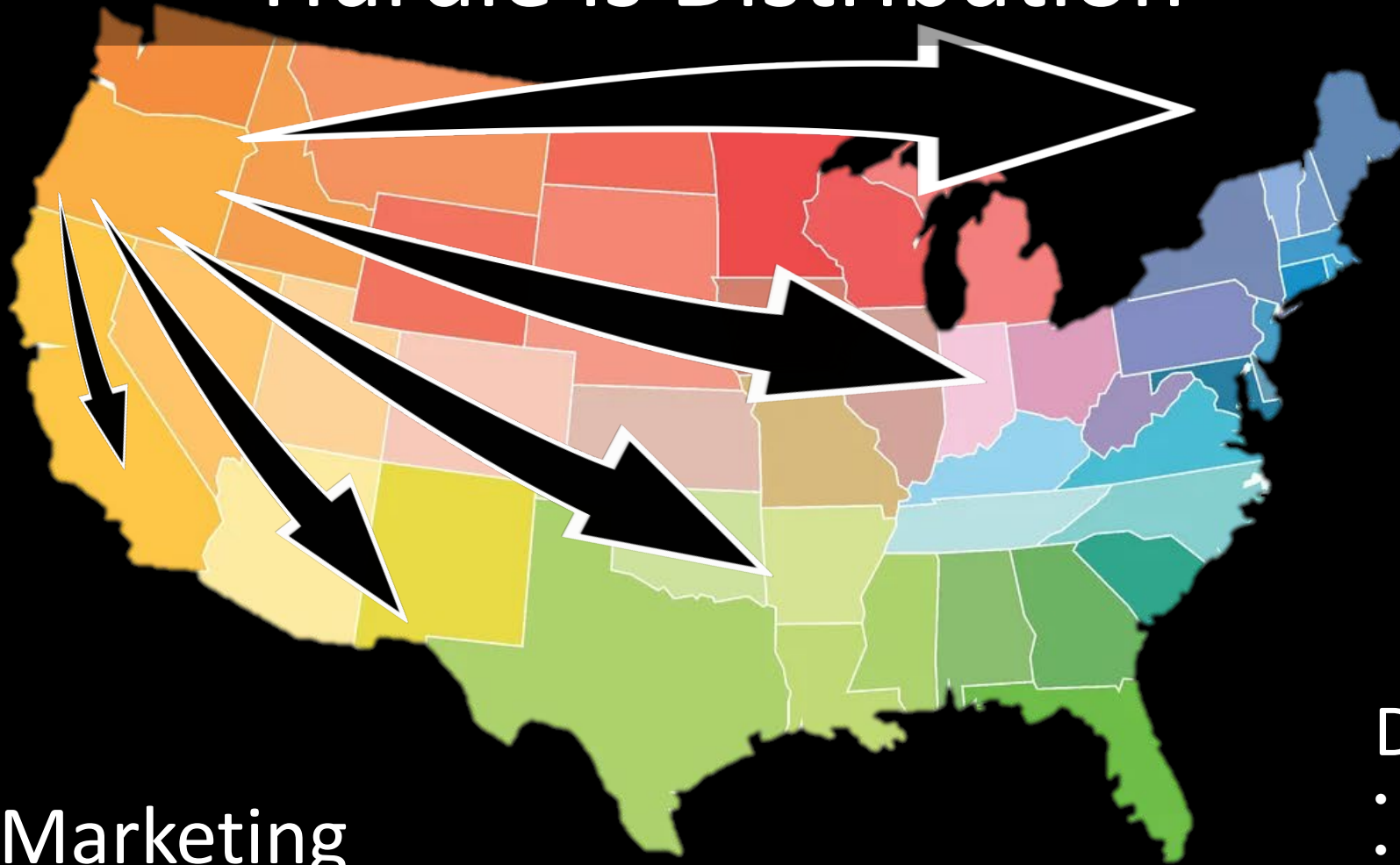
## Goal

- ✓ Hire More FTEs
- ✓ Grow Inventory/Expand Business
- ✓ Survive (global pandemic)

## Moving Forward

- 2023/2024
- Make SB316 Permanent
- Raise cap

# Oregon Distillers Greatest Hurdle is Distribution



## National Marketing

Build a Brand around Oregon Distilled Products

## Distribution

- Traditional 3 tier
- Retail Chain
- DTC





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