

Southern Oregon Wine Institute (SOWI)

Case for Support

In the fall of 2008 Umpqua Community College (UCC) established the Southern Oregon Wine Institute (SOWI) as the first viticulture and enology program in Oregon outside of the Willamette Valley. UCC initiated this program in response to the dire economic condition facing southern Oregon. The economic development mission of SOWI consists of a seven-county region including Coos, Curry, Douglas, Jackson, Josephine, Klamath and Lane Counties. The timber industry has long been the economic anchor for the largely blue collar population. In recent years, however, the decline of public land logging has impacted all of southern Oregon with massive layoffs that have led to high unemployment rates and a shrinking economy. The national economic crisis has multiplied this to disastrous heights for our regional workforce, as the current seven-county average unemployment rate has climbed to a staggering 15%, compared to the national average of 8.9%, according to *WorkSource Oregon* (July, 2009).

Southern Oregon is poised for growth, and has been compared to the Napa Valley, California in the 1960s and Walla Walla, Washington in the late 1990s before experiencing extraordinary economic growth due to the booming wine industry. As a result of this project, southern Oregon has the potential to realize a ten-year growth factor of 5,000 additional wine cluster related jobs and \$115 million in added labor income in the labor market.¹

The teaching winery encompasses a variety of uses:

- Headquarters for the Southern Oregon Wine Institute (SOWI)
- Living laboratory with student-cultivated vineyards
- Industry-standard winemaking facility for educational and proprietary use
- Nationally recognized testing facility available to all regional wine producers at the facility (the closest facility is currently in McMinnville, 160 miles from Roseburg)

Coos County	14.1%
Curry County	14.5%
Douglas County	17.2%
Jackson County	13.7%
Josephine County	15.3%
Klamath County	15.3%
Lane County	13.2%
<i>Oregon</i>	<i>12.2%</i>
<i>United States</i>	<i>9.5%</i>

Table 1 – Unemployment Data, July 2009, Oregon Employment Department

¹ Robison, Hank (2007, March 6). “The Umpqua Wine Cluster: Definitions and Impacts.” CCbenefits, Inc., Moscow, ID, p. 3.

- New wine producers will have ready access to a Wine Incubator with state-of-the art winemaking equipment, small business development center services, capital financing plans and marketing planning
- Temperature-controlled wine storage facilities
- Tasting room as community gathering place, learning center and tourist draw

The facility will be designed for local winemakers to have access to equipment to start making and bottling wines for a few years before they are able to establish their own wineries.

According to Chris Lake, Director of the Southern Oregon Wine Institute, a 2005 study estimates the cost for starting a winery at \$560,000. With an incubator, winemakers pay rent for the facility and fees for using the equipment. Additionally, the UCC Small Business Development Center will assist new artisan wine producers in building a business and marketing plan. This plan allows the opportunity for more new wineries to afford establishment in southern Oregon.

The purpose of the Southern Oregon Wine Institute is to create a vehicle for training and business opportunities in the regional wine industry, which is projected to stimulate the region's economy. Since the timber industry is no longer able to support the workforce, communities in southern Oregon are working together to reinvent the region as a center for agriculture and tourism.

According to the Roseburg News-Review, "Douglas County expects to receive \$46.5 million this month (January 2009) as part of its safety net payment. That's \$5.5 million less than during the 2007-08 fiscal year and payments in the next three budget cycles will decrease an additional 10 percent per year."² While the four-year continuation of federal timber safety net funding will rescue some counties from immediate loss of many county services and even save one county from dissolution, this crucial source of funding will expire in four years. "The loss of timber safety net revenue... makes diversification of a historically logging-dependent economy an economic imperative... One of the more promising areas has been UCC's Southern Oregon Wine Institute, a fledgling enterprise that will see the art and science of grape production and winemaking taught to students who can then go forth and help the region's burgeoning wine industry grow and flourish," noted Douglas County Commissioner Joe Laurence.³

² Sowell, John. (2009 January 5). Douglas County officials make forecast for 2009. *The Roseburg News-Review*.

³ Laurence, Joe. (2008 June 24). Commissioner's backing of new program welcome. *The Roseburg News-Review*.