



## **Grassroots Work and Persistent Lobbying Produce Win for Oklahoma's Wine Lovers**

*45<sup>th</sup> Legal State for Winery-to-Consumer Shipping Opens October 1, 2018*

**September 25, 2018, Napa, CA** – Starting October 1, Oklahoma wine enthusiasts can have wine shipped directly to their homes and offices by U.S. wineries licensed to ship. Previously, wine lovers in Oklahoma were limited to purchasing only those wines carried by in-state wholesalers and retailers; they could not buy directly from in-state or out-of-state wineries.

### **A Long and Winding Road**

Not unlike other states, the road to expanding consumer choice in Oklahoma was full of twists and turns, but in the end, succeeded for consumers.

Because Oklahoma's alcohol laws were embedded in the state's constitution, a ballot measure was required to give the state legislature authority to make changes to those laws. For years, industry lobbyists at Wine Institute supported the idea of including winery direct shipping provisions in a ballot measure. In November 2016, voters approved State Question 792, which included a wide range of alcohol-related topics including wine direct shipping.

But State Question 792, written to go into effect October 1, 2018, still included provisions that would have prevented or at least unnecessarily restricted winery direct shipping. For example, it would have required the consumer, in addition to the winery, to purchase a shipping permit—an approach proven unworkable in other states. It also necessitated additional legislation to allow common carriers to deliver shipments. In spring 2018, a common carrier bill survived a last-minute veto threat prompted by state wholesalers, which nearly derailed the entire effort.

Consumer supporters of Free the Grapes! rallied to the cause of saving the important carrier bill, sending 550+ letters to Governor Fallin within 24 hours in support of Senate Bill 1537. The Governor signed the bill the next day, capping off years of successful lobbying by Wine Institute and consumer and media outreach by Free the Grapes!

### **A Proven Solution**

Who benefits from legal, regulated winery direct shipping? U.S. wineries now have the option of purchasing a permit from Oklahoma to ship directly, potentially affecting the nation's 10,000 wineries, located both within and outside the state. Winery direct shipping has historically been a boon to local wineries and local, wine-related tourism businesses.

Oklahoma consumers will have the ability to purchase wines directly from wineries holding an Oklahoma shipping license, rather than just what is bought and re-sold by state wholesalers. U.S. wineries produce approximately 80,000 individual labels annually, all vying for the attention of a shrinking number of wholesalers due to consolidation; the largest 10 wholesalers control 73.2% of US wine and spirits distribution, according to

Shanken's IMPACT newsletter (April 1 & 15, 2018). Ninety-eight percent of wine volume is sold through wholesale channels, the traditional system for distributing large volumes of wine to retailers and restaurants.

State regulators and tax collectors benefit by a proven system of regulatory safeguards and reporting procedures, as well as the collection of sales and excise taxes. The new law does not apply to beer or spirits sales, only wine; and only applies to wines purchased by adults for personal consumption (rather than re-sale).

### **Additional Streamlining Required**

Like in Oklahoma, other states continue to restrict consumer choice in wine. Free the Grapes! is active in states including New Jersey and Ohio which ban direct-to-consumer shipments from wineries or wine companies producing in excess of 250,000 gallons per vintage. The movement looks to generate consumer support for bills in 2019 to overturn protectionist provisions in Indiana (bans shipments from wineries with a state wholesaler relationship) and Louisiana and Wyoming (bans on shipments of wines already in state distribution), as well as Utah and Delaware (bans all shipments) and Rhode Island (allows shipments only for wines purchased by consumers on-site at a winery). Additionally, the group is working to support bills allowing legal retailer-to-consumer shipping, such as in New York.

"Since 1997, the number of legal states for winery-to-consumer shipment has grown from 17 to now 45, which represent 94% of the US population. But retailers can ship interstate to only 14 states," said Jeremy Benson, executive director, Free the Grapes! "So we have more work to do to help consumers expand their choice in wines."

Wine lovers across the country eager to help the cause are asked to visit [www.FreeTheGrapes.org](http://www.FreeTheGrapes.org) and register for the email list and, in certain states, to personalize a letter which is automatically sent to their legislators.

### **About Free the Grapes!**

Founded in 1998, Free the Grapes! is a national movement of consumers, wineries and retailers seeking to expand consumer choice in wine with legal, regulated direct shipments. To receive email updates visit [www.freethegrapes.org](http://www.freethegrapes.org).

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