



Indiana: Time to Remove the Winery Direct Shipping Lockout

Free the Grapes! calls for removal of protectionist laws in 2019

October 16, 2018, Napa, CA – Free the Grapes!, a national coalition of wineries and wine lovers, is calling on consumers in the Hoosier state to write their state legislators in support of improving consumer choice in wine next year. <https://freethegrapes.org>

As compared to the 44 other states that allow winery-to-consumer shipments, only Indiana bans direct shipments from wineries with an existing relationship with an Indiana wholesaler middleman. U.S. wineries are forced to sell their wines in Indiana through wholesalers, or directly to consumers, but not both. While Indiana has taken several important steps in the last two years in reforming beverage laws, the “winery lockout” continues to restrict consumer choice.

It is not surprising that Indiana has the fewest number of direct wine seller licenses of any state that permits direct wine shipping (334 licenses). Other states with an adult population comparable with Indiana’s have issued far more direct shipping licenses: Massachusetts, 1,087; Missouri, 1,264; and Maryland, 938.

Every other direct shipping state provides their consumers with a greater selection of U.S. wines while simultaneously benefiting from the additional tax and license fee revenues from these shipments.

“We’re encouraging consumers to visit our website and personalize a letter to their state legislators in support of a simple legislative fix,” said Jeremy Benson, executive director of Free the Grapes! Industry representatives are anticipating introduction of corrective legislation next year.

Direct to consumer wine sales fill in the gaps where the traditional three tier channel – shipments from winery to wholesaler to retailer – does not adequately meet consumer demand for wine. There are almost 10,000 U.S. wineries producing at least 80,000 individual labels annually, all vying for the attention of a consolidating wholesaler tier: the top 10 wholesalers control 73% of wine and spirits sales, according to Shanken’s IMPACT newsletter (April 2018). Ninety-eight percent of wine is sold through the three tier channel, an effective and efficient system to distribute wines at volume. However, wholesalers are simply unable to carry every wine that consumers want.

About Free the Grapes!

Founded in 1998, Free the Grapes! is a national movement of consumers and wineries seeking to expand consumer choice in wine with legal, regulated direct shipments. <https://freethegrapes.org>

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