

FREE THE GRAPES!

— TO ENSURE CONSUMER CHOICE IN FINE WINE —

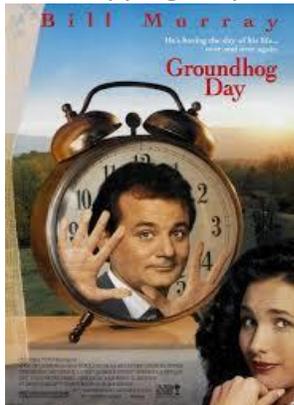
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Direct Shipping from Wineries to US Homes Hit New Highs in 2020, But Restrictive State Law Limits NJ to Nation's Lowest Growth

TRENTON (February 1, 2021) — No doubt spurred by pandemic-induced limits on travel, dining and shopping, shipments of wine direct from U.S. wineries to consumers in 2020 experienced



the largest recorded single year growth ever — but New Jersey consumers barely participated, due to a needlessly restrictive state law.

“Groundhog Day strikes again, and again,” said Jeremy Benson, executive director of [Free the Grapes](#), a national grassroots coalition of wine lovers and wineries who seek to remove bans and streamline restrictions. “Despite New Jersey’s prominence as one of the top states for wine enjoyment, it’s dead last on winery direct-to-consumer shipping growth. Year after year after year, Garden State consumers face the same frustrating limits.”

Nationwide, direct-to-consumer shipping from wineries grew 27 percent by volume in 2020, according to Wines Vines Analytics/Sovos ShipCompliant, two organizations that have jointly produced [data on direct-to-consumer wine shipping](#) since 2010. Over the past nine years, direct shipping nationwide grew by an average of 10.5 percent in volume. Direct shipments from wineries to New Jersey wine lovers grew by a paltry 3.5 percent in 2020 — lowest among the 46 states that allow wineries to ship direct to consumers. By contrast, shipments to neighboring states by volume grew by 99.9 percent in Pennsylvania, 66.6 percent in Maryland, 54.9 percent in Massachusetts and 32.8 percent in New York.

New Jersey consumers’ perpetual difficulty getting wine shipped from wineries stems from a state law passed in 2012 that arbitrarily bans U.S. wineries producing more than 250,000 gallons a year (about 106,000 cases — a medium-sized winery) from shipping to New Jerseyans’

homes and offices. Only wineries making less than that amount are allowed to direct ship. This “capacity cap” limit applies to both in-state and out-of-state wineries. It denies New Jerseyans direct-shipment access to more than 90% of wine made in the U.S. New Jersey and Ohio are the only states with a capacity cap; similar restrictions were removed in Massachusetts and Arizona.

“Unfortunately, the capacity cap severely reduced wine choices for New Jersey consumers just when COVID-19 spurred record direct-to-consumer sales in other states,” Benson said.

“The lackluster volume growth really speaks volumes if you compare the gains seen in the channel overall and among key regions and top destination states,” said Andrew Adams, editor of *Wine Analytics Report*, which tracks DtC shipments on an annual and monthly basis. “Going by total consumption, New Jersey is home to millions of wine-loving consumers, but their state sees fit to deny them the range of choices as wine drinkers in other states.”

No New Jersey wineries produce at a level that reaches the cap, but some are expected to before long. Unless the cap is eliminated, at that point they would be banned from direct shipping to New Jersey consumers. Bipartisan legislation introduced in the Legislature — S 2683 and A 1943 — would eliminate New Jersey’s capacity cap, giving consumers the breadth of choice enjoyed in other states.

“There’s no reason to restrict consumer choice the way New Jersey’s law does,” said Assemblyman Andrew Zwicker, a primary legislative sponsor. “It’s long past time to change it and join the rest of the country.”

Other highlights from the report included:

- 2020 saw the largest decrease ever in average price per bottle shipped with, a 9.5% decline to \$36.83 — a sign that direct shipping is being used by a widening range of consumers, not only those who seek high-end varieties.
- Non-West Coast wineries outperformed the overall DtC shipping channel, with a 34.7% increase in volume of shipments and a 30.6% increase in value of those shipments — showing that consumer demand for direct shipping is growing across the nation..
- The largest- and smallest-production wineries enjoyed the greatest increases in volume — but the largest are excluded from shipping to New Jersey consumers.

Free the Grapes encourages consumers to visit its [website](#) and take two minutes to urge their legislators to eliminate the capacity cap and expand choice in New Jersey.

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