



FREE THE GRAPES!

— TO ENSURE CONSUMER CHOICE IN FINE WINE —

For immediate release

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Consumer Choice Advocates Tell Legislators to Free the Grapes in New Jersey

TRENTON (October 8, 2020) — In testimony at a legislative hearing today, supporters of Free the Grapes! made the case for increasing consumer choice by passing a bill allowing consumers to receive wine from any American winery regardless of its size.

New Jersey is one of only two states with a “capacity cap” that bans wineries crafting more than an arbitrary amount each vintage year from shipping directly to consumers in the state. A1943 and its companion bill, S2683, would add a new license specifically for wineries or wine companies that produce more than the capacity cap.

“Because of these limits, a small winery that grows to more than 106,000 cases per year can no longer sell to New Jersey customers, frustrating existing wine club members who can no longer get wine shipments,” Terri Beirne of the Wine Institute told members of the Assembly Oversight, Reform and Federal Relations during a remote hearing.

“Because of the capacity cap, only about 400 out-of-state wineries paid \$938 in 2018 for a New Jersey wine shipper’s permit, generating \$375,000 in fees,” Beirne added. “Removing the cap will greatly increase the number of wineries that ship wine to New Jersey consumers. For comparison, in 2017 New York issued 2,084 shipping permits to wineries; in Pennsylvania, 1,062 wineries had permits.”

Andrew Adams, editor of *Wine Analytics Report*, which tracks winery direct to consumer (DtC) shipments on an annual and monthly basis, told the committee that, “as consumers across the nation face pandemic-induced limits on travel, dining and shopping, DtC wine shipments is at the highest levels ever – but not in New Jersey.” Residents have far less ability to get wines shipped direct from licensed wineries because of a needlessly restrictive state law, he noted.

“New Jersey residents appear to not have access to the full range of wines they likely would be buying DtC,” Adams said. “This has been made abundantly clear in the wake of the COVID-19 pandemic. In the

first six months of 2020, total shipment volume, of 9-liter or 12-bottle cases, was up 29% or 1 million cases and total value of shipments increased 15% to \$222 million. Yet in New Jersey volume increased by just 9% and shipment value rose by 11% to \$24.6 million. Though New Jersey is the sixth largest wine-consuming state, it ranks only 17th in the value of wine shipped directly from wineries to consumers.”

Anne Huffsmith, general counsel for Nakedwines.com, also testified. “New Jersey will benefit in numerous ways by expanding DtC wine shipping, including increased tax and licensing revenue, increased consumer choice and expansion of safe delivery directly to consumers’ homes,” she said.

New Jersey’s capacity cap limit applies to both in-state and out-of-state wineries. It denies New Jerseyans direct-shipment access to wineries producing 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.

Today’s hearing was for discussion-only, and supporters of expanded freedom of choice for New Jersey wine lovers are working hard to get the legislation in position for a vote. Free the Grapes! urges consumers to visit its [website](#) and take two minutes to urge their legislators to eliminate the capacity cap and expand choice in New Jersey. Encouragingly, just since August more than 2,000 have done so.

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