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NJ's favorite alcoholic beverage is wine — but limits on shipping dampen consumer choice

State Senate Committee Hears Call for Reform

TRENTON (June 16, 2021) — Beer, wine, or liquor — people have their top choices. New Jersey residents are no exception. In the Garden State, [wine](#) tops the list as the [favorite](#) alcoholic beverage. It's ironic, however, that wine tops the list, as New Jersey imposes strict limits on direct-to-consumer shipment from US wineries.

This limit, also known as the “capacity cap,” prohibits wineries producing over 106,000 cases of wine per year (a medium-sized winery) from shipping directly to consumers. This means that New Jerseyans cannot have 90% of domestic wine shipped directly to their home. For a state filled with wine lovers, this is certainly inconvenient.

U.S. winemakers and New Jersey consumers made the case to the State Senate Commerce Committee on June 16 that the arbitrary limit should be eliminated. Those testifying in favor of bills A1943/ S2683 said that eliminating the capacity cap would not only expand choice for New Jersey wine lovers, but also bring the state more revenue from sales/excise taxes and fees for shipping permits — with no loss in business for New Jersey retailers.

Terri Cofer Beirne, eastern counsel for the Wine Institute said, “These bills will help in-state wineries. Garden State Winegrowers Association has taken a neutral position on them. Some larger New Jersey wineries are butting up against the cap and will soon lose the ability to ship wine to in-state customers. The only government study of the impact of direct wine shipping on existing businesses was in Maryland, and after one year of a new wine shipping law, that state found ‘minimal to no impact’ on wholesalers.”

Anne Huffsmith, general counsel at Naked Wines USA, added, “We have no evidence that in the past nine years allowing US wineries to ship directly to consumers in New Jersey has hurt local business, including local retailers, wholesalers and New Jersey wineries. In fact, New Jersey wineries were a prime beneficiary of the bill because before its passage they were unable to ship their wines directly to consumers in New Jersey. Now, they can do that.”

Alan Sharp, a New Jersey consumer from Pennsauken, brought the conversation back to consumers: “It’s about consumer choice. There’s plenty of things out there that you can’t get in the store.”

Greg Kryder, Chief Financial Officer at Penrose Hill Winery in California, submitted several statements from the company’s New Jersey customers:

“Please allow New Jersey residents the enjoyment of having wine delivered from outside wineries. We are at a disservice, especially post pandemic, when delivery services were our only options. Free the grapes!!!” — Daveens (no surname listed) Sicklerville

“It’s seems pretty absurd that marijuana is now legal in New Jersey, but we can’t enjoy whatever wine we choose. Let’s step into the 21st century and pass the bills.” — Peter (no surname listed), Mahwah.

“I have wanted to ship wines directly to my home from places I visit in Napa and elsewhere and found the arcane New Jersey restrictions really frustrating. Please open New Jersey, like nearly every other state.” — Fred (no surname listed), Basking Ridge.

“I want to go on record as a citizen of New Jersey as follows: regardless of political issues, I want the right to purchase and have delivered to my front door out of state wines by the case.” — James (no surname listed), Bridgewater

47 states allow direct-to-consumer shipping from US wineries. Of these states, only New Jersey and Ohio restrict choice based on the size of a winery’s output.

For more information about the campaign to “Free the Grapes” in New Jersey, visit <https://freethegrapes.org/>.

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