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Hundreds of California Winemakers Lose Lucrative Access to Illinois

—Wine Shipping Ban To Cost Millions of Dollars in Lost Sales—

(SACRAMENTO, Calif)—Hundreds of California winemakers are set to lose their right to ship wine into one of the nation's most lucrative wine markets on June 1 when an anti-shipping law goes into effect in Illinois. The loss of market access results from many California winemakers not technically being licensed as "wine producers", but rather as retailers and distributors. The Illinois law only allows those licensed as "wine producers" to ship wine to Illinois residents.

"We are talking about hundreds of California's finest and most celebrated winemakers being shut out of Illinois and prohibited from filling orders by their long time customers," said Tom Wark, executive director of Specialty Wine Retailers Association, an organization that opposed the Illinois law. "The Illinois law was poorly thought out and even more poorly written, as is typical of protectionist legislation."

Many California winemakers do not obtain the "02" wine producer licenses from the California Alcohol Beverage Commission since they are making their wine in someone else's facility. Instead, they obtain a combination "17 and 20" license which officially makes them retailers and distributors. Retailers and distributors are prohibited from shipping to Illinois under the new law taking effect June 1.

In addition to hundreds of California winemakers now being prohibited from shipping to one of America's largest wine markets, all of California's wine merchants are also prohibited from shipping to Illinois under the new law. The result will be losses of millions of dollars in sales for California wine retailers, many of whom are among the nation's top wine merchants.

CALIFORNIA'S OWN BAN ON RETAILER SHIPPING BACKFIRES

"It's unfortunate but California legislators brought this on their constituents in 2005 when they passed SB 118, a California law that prohibits out-of-state retailers from shipping into California," said Wark. "California legislators were told that retaliatory legislation aimed at California's wine retailers by other states would be the result of passing a law that banned out-of-state retailers from shipping into California but they went right ahead and passed SB 118 anyway. California's ban was brought up in Illinois during their debate over its new law. Now California legislators have effectively contributed to hundreds of California wineries losing a significant market for direct sales.

The loss in sales to California winemakers and retailers is very difficult to estimate but it is likely to run into the millions of dollars.

Specialty Wine Retailers Association is a national organization of wine merchants and consumers that seek fair and non-discriminatory wine laws that allow consumers to have fine wine shipped to them in a well regulated environment. For more information about the Specialty Wine Retailers Association and the new Illinois direct shipping law visit:

SWRA: <http://www.specialtywineretailers.org>

Illinois Anti-Shipping Law: <http://www.specialtywineretailers.org/illinois.html>

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