



March 26, 2025

Senator Craig Hickman – Chair Veterans and Legal Affairs Committee

Representative Laura Supica – Chair Veterans and Legal Affairs Committee

Members of the Joint Standing Committee of Veterans and Legal Affairs

My name is Carrie Rand-Anastasiades, and I am the Director of Northeast States for Wine Institute. Thank you for allowing me to testify today. Wine Institute is a public policy association of over 1,000 California wineries and affiliated suppliers dedicated to advocating for the responsible consumption and enjoyment of wine. We stand in opposition to **LD 1092 An Act to Ensure That Dual Distribution Prohibitions Are Not Violated By Direct Shippers**, which, if enacted, would prohibit wineries from shipping direct to consumers, if they also do business with a wholesaler in the State of Maine.

Residents of Maine have enjoyed the privilege of being able to order wine and have it shipped to them since 2009. Currently, 45 States allow direct to consumer (DTC) shipping and only 1 State in the nation has a provision like the one proposed in LD 1092. In 2023, Maine consumers purchased 1,618,671 nine-liter cases of wine. Only 21,696 of those cases were cases of wine shipped directly to consumers. Translated, this means that 98.66% of wine was sold and distributed through the three-tier system, and only 1.34% was sold via the DTC channel in the State.

Many people order more high-end wine via DTC that is not available through the wholesale/retail channel but also enjoy the convenience of purchasing vintages that are also sold through those means. Allowing both to be sold through the three-tiered system and DTC further strengthens the brand and makes a customer more apt to reach for it when they are purchasing at retail. The wholesale channel is also not fool proof, as much depends on what the individual retail store is purchasing in response to their customer base. If the store in Denmark, ME does not order a specific brand or vintage from the wholesaler, the customer does not have easy access to it, even though

the label is being distributed to stores in Kennebunkport. Direct shipment makes this possible. Consumers can order many vintages in limited amounts (12 cases per year) for personal consumption, according to their personal palate. They also do this at a higher cost as they pay shipping and handling charges. Passage of this bill would take that choice away from residents.

Effective July 1st all DTC shipments will be included in the Maine Bottle deposit system. Wineries are already registering with comingling cooperatives to ensure pick up and proper recycling of the products. In addition, we have worked hard to establish registration of fulfillment houses and reporting from carriers that ship our wines. We want to make sure that the process is completely transparent, and that the product is not falling into the wrong hands.

With the rise of inflationary pressures reducing household spending, cannabis products as alternatives to alcohol, and cultural wellness trends leading to reduced alcohol consumption, sales for 2024 were down 10%. Prohibiting wineries from selling direct to consumers if they also do business with a wholesaler will only further decrease tax and permit revenue received by the State. But more importantly, prohibiting these sales will rob consumers of choices that they are currently enjoying, and take Maine out of line with the policy 44 other states implement. It is because of this that we ask you to preserve the right to sell our product via wholesalers as well as direct to consumers, by voting against LD 1092.