

VIRGINIA WINERIES AND VINEYARDS DEFEND VIRGINIANS' RIGHTS TO ORDER WINE FROM ACROSS THE COUNTRY

**FOR IMMEDIATE RELEASE
APRIL 26, 2002**

**CONTACT: LEW PARKER - (703) 777-8161
TIM GORMAN - (540) 649-3534**

CHARLOTTESVILLE , VA – Virginia wineries and vineyards have a plea for the Virginia General Assembly and the federal courts: Lift the unconstitutional restraint on individual liberty and allow adult Virginians to buy wine from any licensed shipper, or else the future of Virginia's wine industry is in jeopardy.

Members of the Virginia Wineries Association and the Virginia Vineyards Association have joined together to support the rights of Virginia consumers to receive wine by direct purchase from Virginia wineries, as well as from out-of-state wineries and retailers. Owners of the 71 licensed farm wineries and the more than 200 vineyards in Virginia agree with a recent federal court ruling striking down Virginia's laws which prevent reasonable access by Virginia consumers to wines from out-of-state wineries. They urge the General Assembly to correct constitutional problems with Virginia's current ABC laws.

"Whether they buy from us or from our competitors out-of-state, Virginia wine lovers should be treated like the adults they are," said Lew Parker, owner of Willowcroft Winery in Loudoun County and President of the Virginia Wineries Association. "We are a growing part of Virginia's agribusiness industry and we believe that free trade will only help us," added Tim Gorman, owner of Cardinal Point Vineyard in Afton and President of the Virginia Vineyards Association. Gorman and Parker noted that most states already permit consumers to buy wine directly from an out-of-state winery in some manner. "We're two decades behind and need to catch up," Gorman added.

In March, U.S. District Court Judge Richard Williams ruled that Virginia's ABC laws unconstitutionally discriminate against out-of-state wineries by prohibiting Virginia consumers from purchasing wine directly from them, while allowing Virginia consumers

to purchase products directly from Virginia wineries. The judge also ruled that state-run ABC stores cannot carry exclusively Virginia wine, as they do now. The judge concluded that Virginia's discriminatory treatment of out-of-state wineries is a violation of the U.S. Constitution. This ruling is on appeal to the U.S. Court of Appeals, but the decision provides an opportunity for the Commonwealth to revise its outdated laws on wine sales.

According to Parker, "It is essential for Virginia wineries to retain their ability to sell directly to individual consumers. To maintain our existing sales rights, we endorse opening up the Commonwealth to direct shipments of wine to consumers from out-of-state wineries." Gorman says the Virginia vineyards and wineries support the idea of a "Virginia Wine Shippers Permit" which would subject out-of-state wineries and stores to Virginia ABC regulations. For a minimal registration fee, out-of-state shippers could be tracked and required to report all sales and use taxes, as well as any excise tax on wine sold directly to Virginians. Consumers would be limited in the quantity of wine they could order from out-of-state shippers. All shipping containers would be marked with "adult signature" required.

Virginia's wineries and vineyards are an agricultural success story. When the Virginia farm winery laws were initially passed in 1975, there were only three wineries in the Commonwealth. Twenty-seven years later, there are 71 licensed farm wineries, many producing award winning wines. Nearly 575,000 tourists visit Virginia wineries and wine festivals each year, with more than 41% of them traveling into Virginia from other states. Over 250,000 cases of Virginia wine were sold during 2001, with close to half of those cases sold directly to customers by the farm wineries. Approximately 25,000 cases were sold in ABC stores during that time. Virginia ranked 6th in the nation in Vinifera wine production and 10th nationally in grape production, with 4,120 tons produced in 2001. Since 1995 alone, the number of acres of grapes in Virginia has grown 51%, to 2,250 acres in 2001.

The total impact of Virginia's wine industry on the state's economy is estimated to be \$80.6 million, supporting 754 jobs and generating state tax revenue of \$6.5 million.
