Interstate wine shipping allowed at last

17 May 2005 by JR

Hooray! At long last a major plank in the cumbersome US distribution system of anything alcoholic was smashed in the Supreme Court on 16 may 05 when judges ruled that a ban on shipping wine made in other states directly to consumers in New York and Michigan was illegal. This opens the floodgates for wine to be shipped directly from small wineries throughout the US to individual customers, without having to go through the complex and expensive three-tier distribution system. Prohibitions on inter-state shipping in more than 20 other states will also fall by the wayside.

The Court relied heavily on Federal Trade Commission findings (*Possible Anticompetitive Barriers to E-Commerce: Wine, 2003*) which recognised that the purpose of these barriers to free trade was not, as the states inquestion contended, the advancement of temperance or prevention of tax evasion, but the economic protection of local wholesalers.

In the past, a wine lover in,say, Florida wanting to buy wine directly from their favourite Napa Valley winery which did not happen to have a local FL distributor had to play an elaborate charade, having it shipped described as 'olive oil' or something quite different - and risk being prosecuted for this heinous crime.

Now the whole US domestic wine market has been opened up at a stroke and small wineries, those who have been finding it increasingly difficult to play with stakes as high as those involved with the increasingly bloated big wine distributors, can now deal directly with consumers.

It'll take time to get pricing and systems in place, but overall this is very good news indeed and should make the American wine market much livelier and healthier.

This is more bad news for the French though, now that individual American wine buyers have the prospect of domestic wine, priced in nice, friendly dollars, falling in price as the US market opens up. This may make wines priced in euros seem even more expensive.