

SBAM Supports Direct Shipment of Wine by Michigan Wineries

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July 20, 2005 — The Small Business Association of Michigan (SBAM) opposes legislation in the Michigan House that would prohibit all in-state and out-state wine shipments to consumers.

In a letter to members of the Michigan House, SBAM Vice President Government Relations Barry Cargill said that passing HB 4959 would harm a high profile and important segment of Michigan's small business tourism economy. "The economic livelihood of dozens of small, family-run Michigan wineries depends on our ability to ship wine directly to our customers," he said. "This legislation eliminates controlled and accountable direct sales when Michigan wines are not available through distribution and retail channels close to the consumer. The current provisions contained in HB 4959 would destroy an important industry that is contributing to Michigan's economic recovery."

Michigan wine industry statistics show the state with 1,500 acres of vineyards devoted to wine grapes, making Michigan eighth in the nation in wine grape production. Michigan's 43 commercial wineries produce more than 200,000 cases of wine annually, making the state 13th in wine output. Wineries are popular tourist destinations, attracting more than 600,000 visitors annually. Wine production and winery tourism annually contribute \$75 million to the state's economy.

"SBAM is not persuaded by warnings that direct shipment of wine will facilitate sales to underage drinkers," Cargill says. "Michigan wineries have been allowed to ship their product directly to consumers for more than 30 years and now is not the time to impose detrimental regulations on the industry."

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