



The State of the Industry

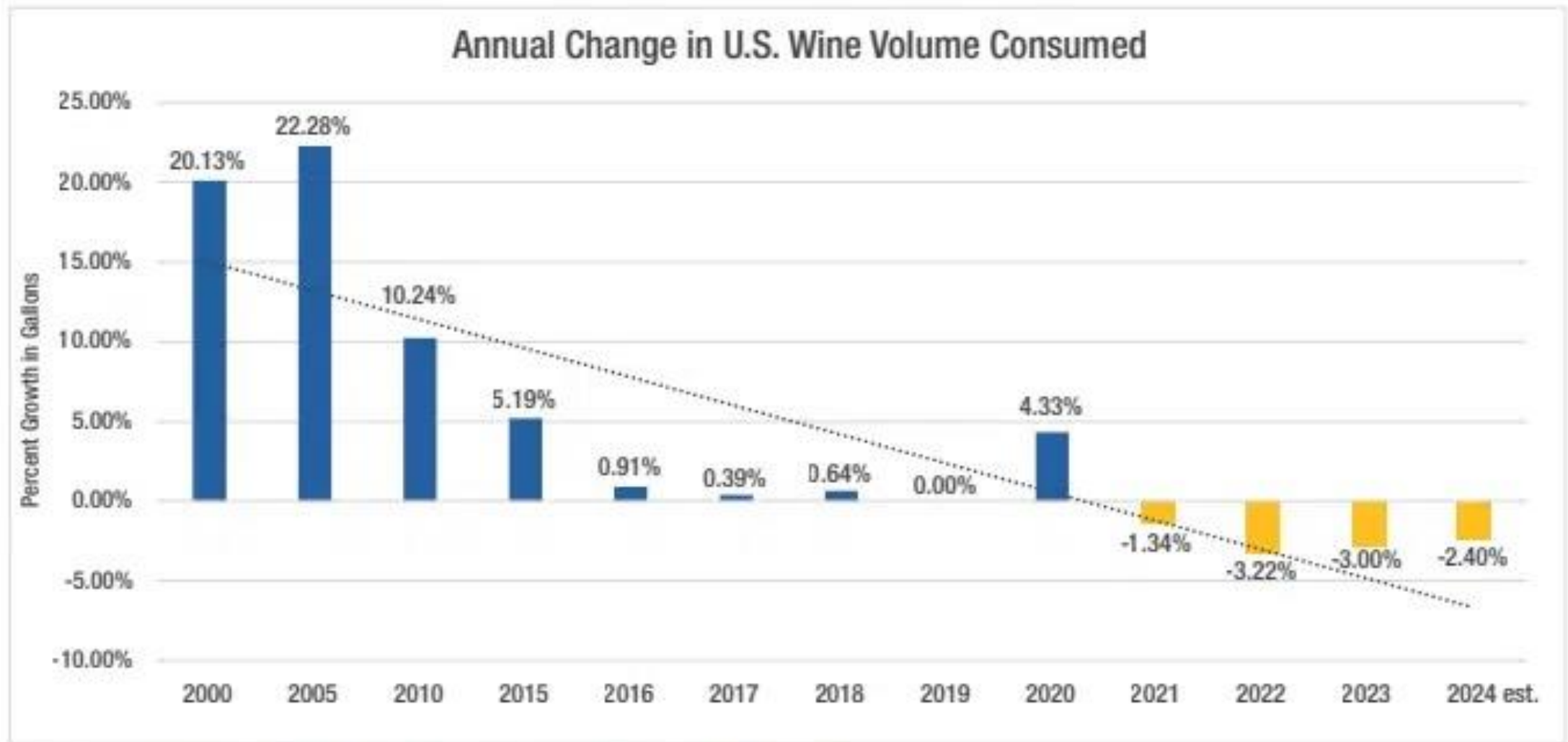
The State of the Fight

Tom Wark — Executive Director

254% Increase in Winery DTC Sales after Granholm Decision

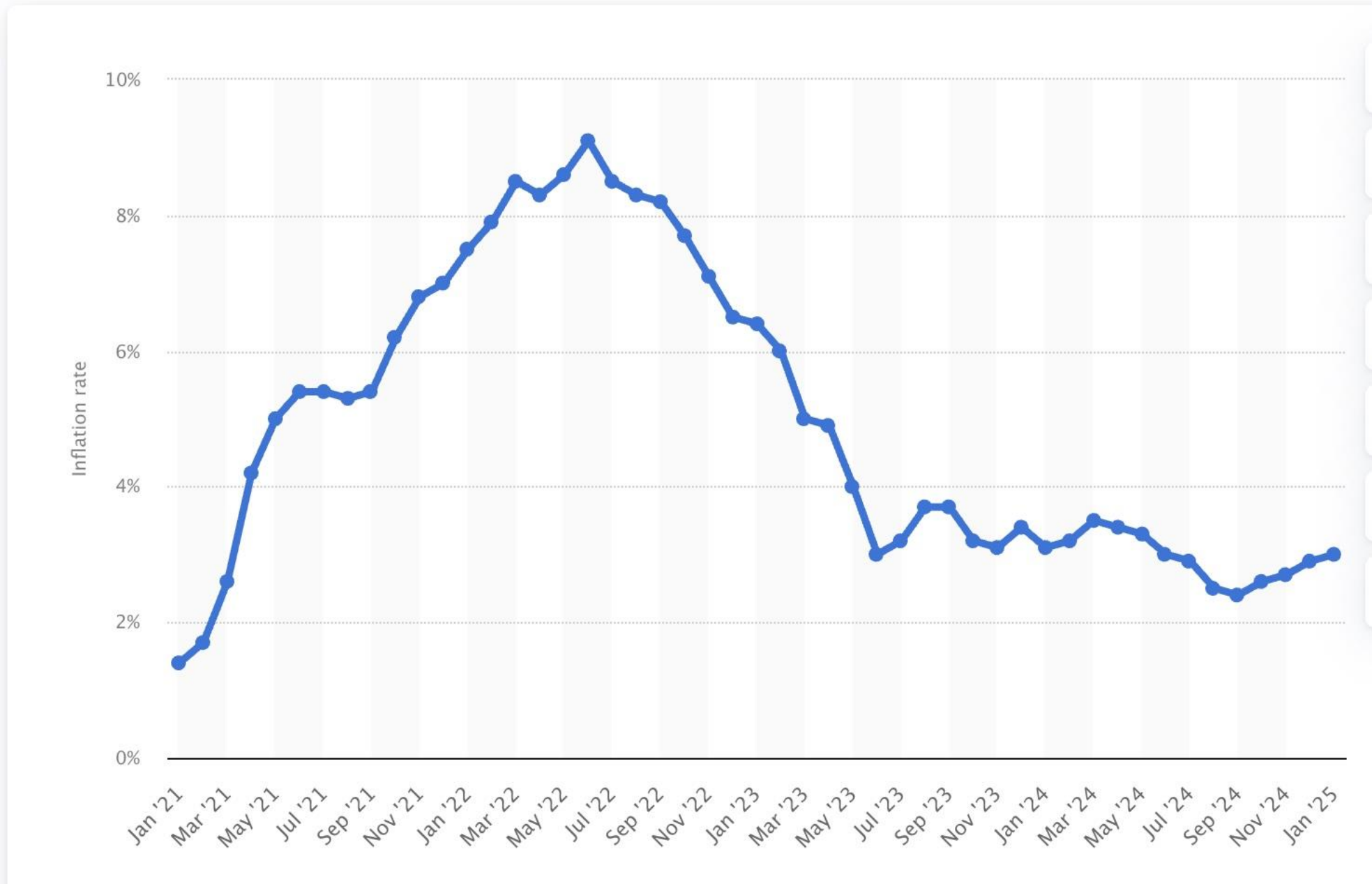


CONSUMPTION CONTINUES TO DECLINE



Source: Shanken's Impact Databank Review and Forecast, 2024 SVB estimate

INFLATION – The Cost of Everything Has Increased



COST OF MONEY – The Cost of Borrowing is Historically High

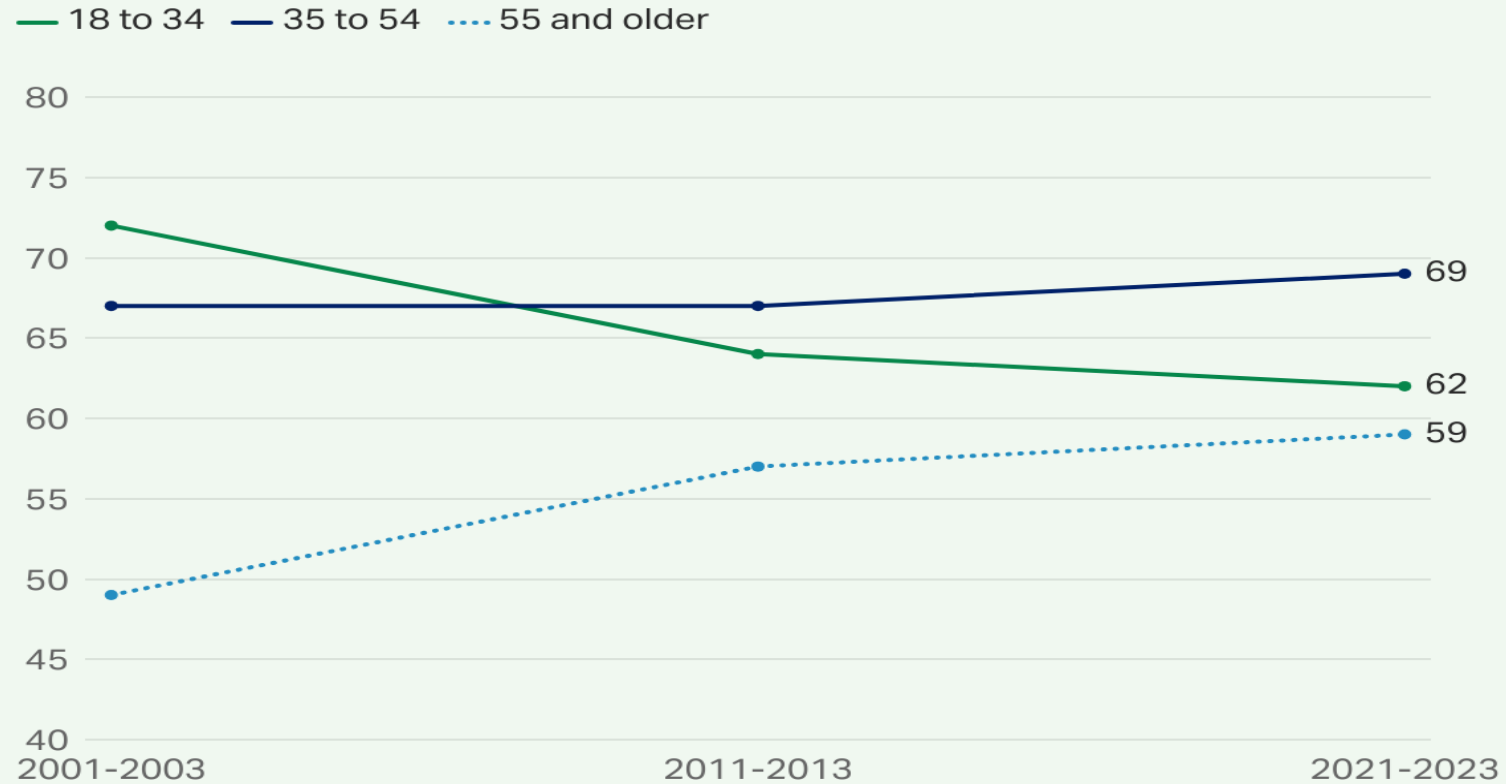


YOUTH SPENDING ON ALCOHOL— Down, relative to past generations

Shifts in Americans' Alcohol Consumption, by Age

Do you have occasion to use alcoholic beverages such as liquor, wine or beer, or are you a total abstainer?

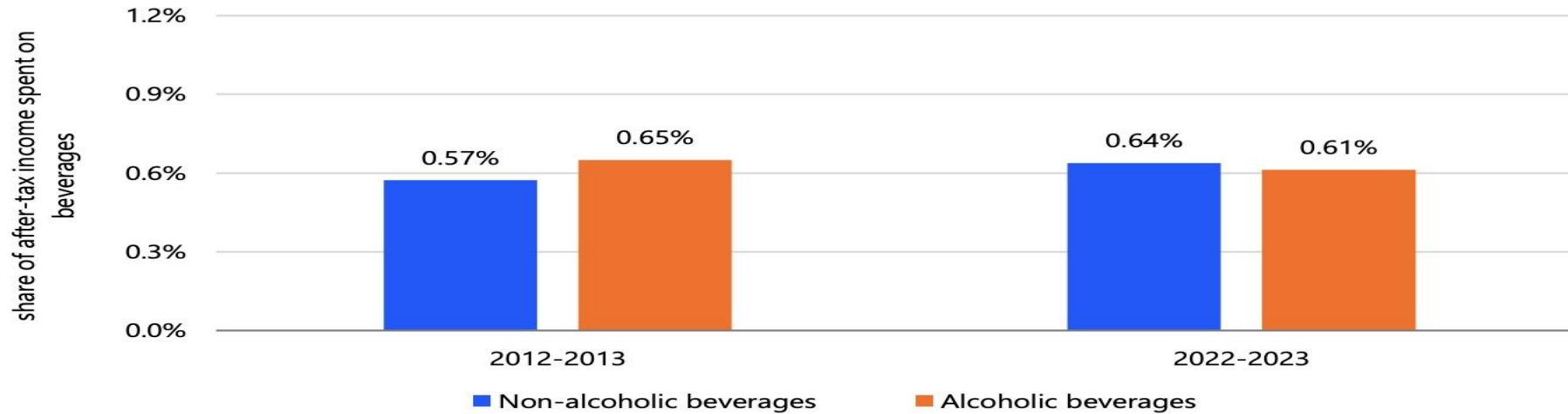
% Yes, drink



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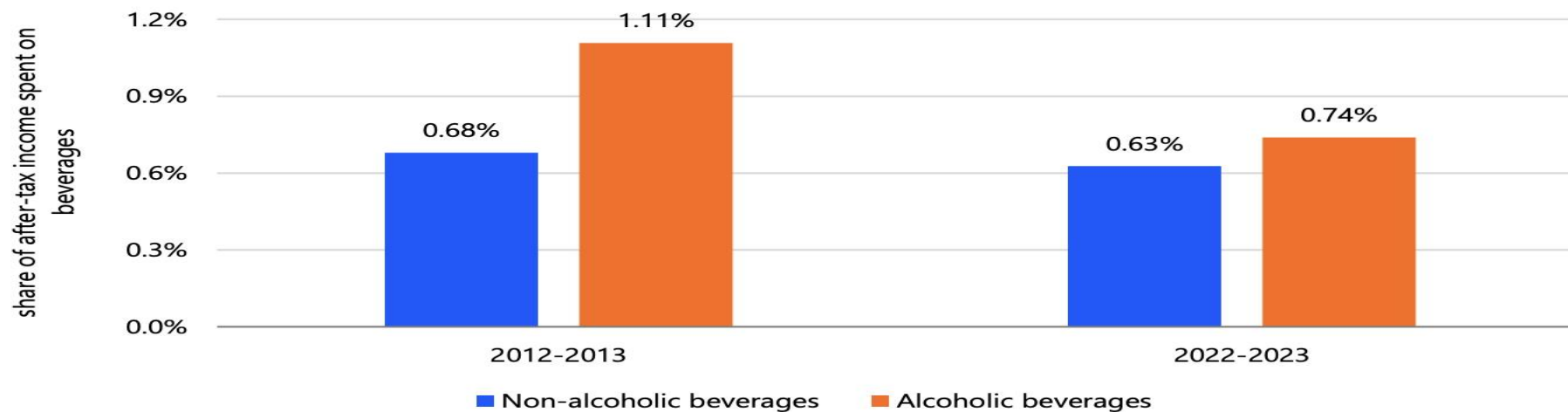
YOUTH SPENDING ON ALCOHOL— Down, relative to past generations

Figure 4: Households led by people over 30 spend as much on alcohol as they did a decade ago.



Source: BLS, RaboResearch 2025

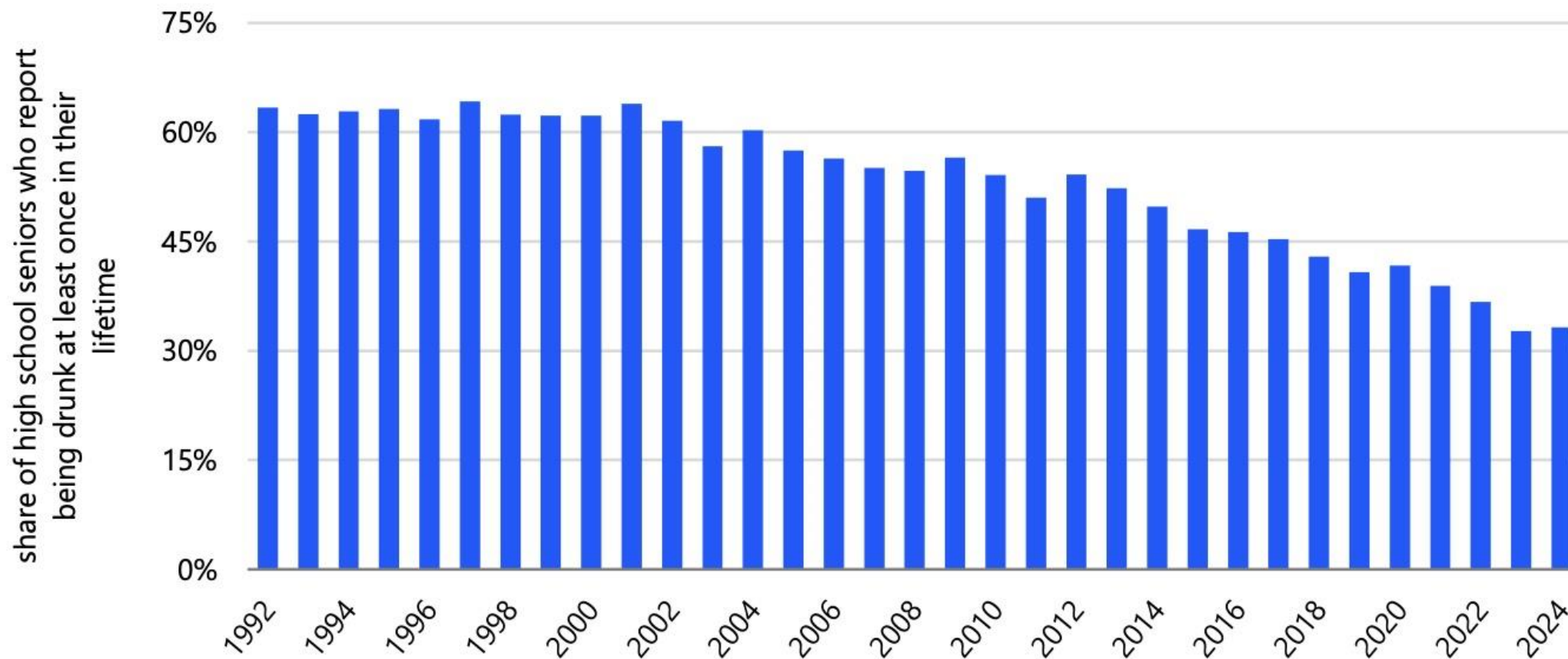
Figure 5: Households led by people under 30 years old have cut the share of income spent on alcohol by a third since 2012/13



Source: BLS, RaboResearch 2025

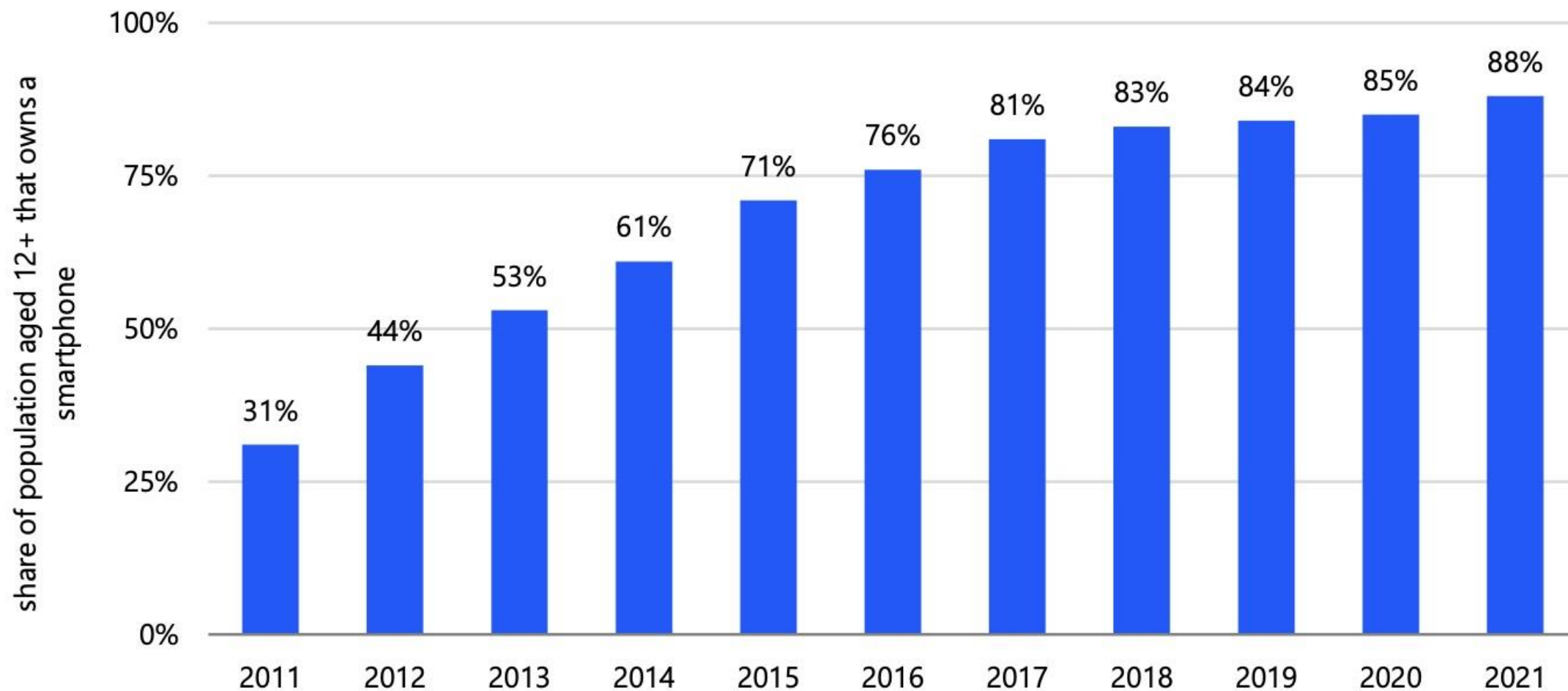
YOUTH SPENDING ON ALCOHOL— Youngest Don't Drink

Figure 6: The number of high school seniors that drink alcohol has fallen by half since 1991, with two-thirds of that decline occurring since 2012



Source: Monitoring the Future survey, RaboResearch 2025

YOUTH SPENDING ON ALCOHOL— SmartPhone Life Increases



Source: Edison Research, RaboResearch 2022

YOUTH SPENDING ON ALCOHOL— SmartPhone Life Increases

*“From 2003 to 2022, American adults reduced their average hours of face-to-face socializing by about 30 percent. For unmarried Americans, the decline was even bigger—more than 35 percent. **Face-to-face socializing, according to the American Time Use Survey, has declined 50 percent since 2003 for teenagers.”***

—Eric Klinenberg is a sociologist and the director of the Institute for Public Knowledge at New York University

ALCOHOL AND HEALTH— Attacks By Influential Institutions



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**No level of alcohol consumption
is safe for our health**

ALCOHOL AND HEALTH— Attacks By Influential Institutions

“no amount of alcohol is safe and recommends no more than two drinks a week for men and women”

Canada's Guidance on Alcohol and Health

Guidance to support people in Canada to make informed decisions about alcohol and consider reducing their alcohol use



ALCOHOL AND HEALTH— Attacks By Influential Institutions

Alcohol and Cancer Risk

2025

The U.S. Surgeon General's Advisory



*“Alcohol consumption is
the third leading
preventable cause of
cancer in the United
States, after tobacco
and obesity.”*

—U.S. Surgeon General

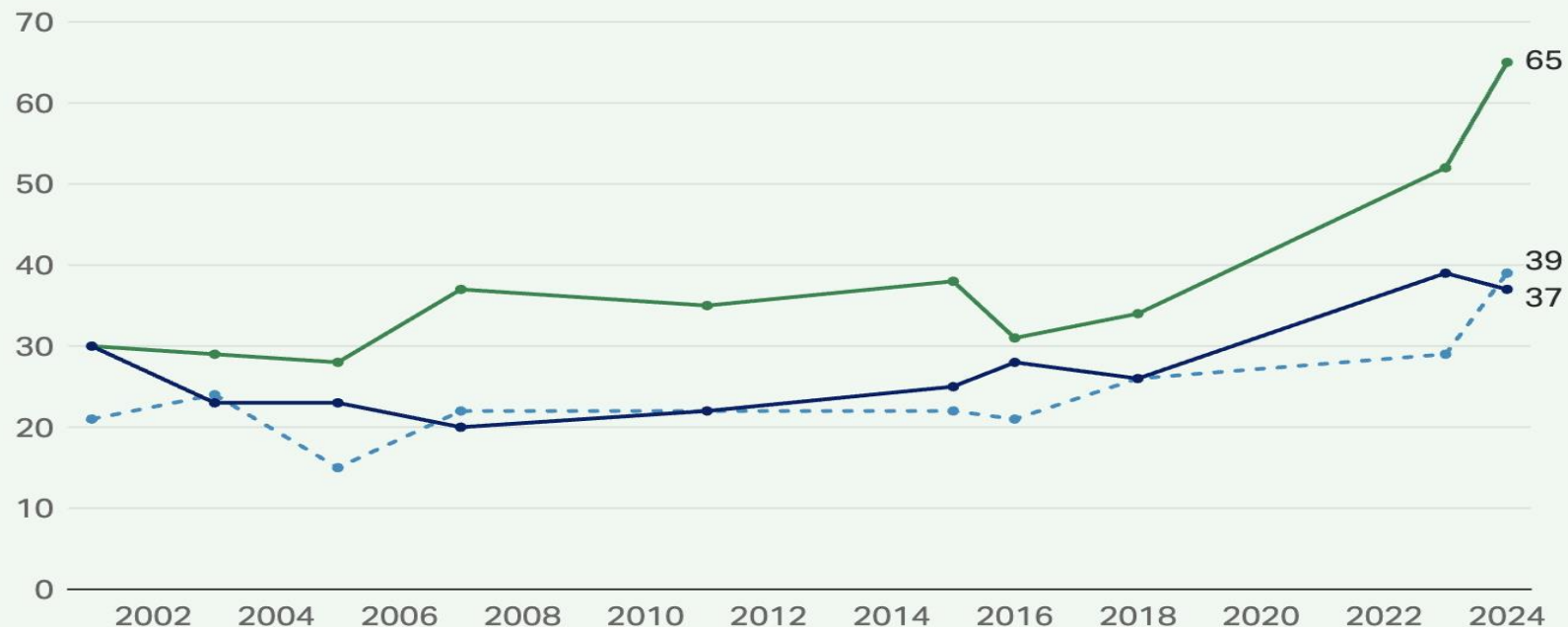
ALCOHOL AND HEALTH— Young Folks Believe Alcohol is Bad

Young Adults Increasingly Think Alcohol Is Bad for Health

Do you, personally, think drinking in moderation -- that is, one or two drinks a day -- is good for your health, makes no difference or is bad for your health?

% Bad for your health

— 18 to 34 — 35 to 54 - - 55 and older



Those who said it is good for your health or makes no difference are not shown. Answer options were rotated.

[Get the data](#) • [Download image](#)

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ALCOHOL & WEIGHT LOSS— The Ozempic Effect on Alcohol



Studies Show Ozempic-like Drugs Reduce Alcohol Consumption Considerably More than 15% of Population Have Tried Them

Morgan Stanley expects an overall 1.8% reduction in alcohol consumption from weight loss drugs amounting to at least a \$3.5 billion loss in sales”

Famed British investor Terry Smith sold off nearly \$400,000,000 in stock of **Diageo**, the largest spirits producer in the world, on fears that Ozempic and other anti-obesity/weight-loss drugs will harm the alcohol industry

ALCOHOL & CANNABIS— The Substituting is Real

The New York Times

Cannabis Tops Alcohol as Americans' Daily Drug of Choice

A new study shows a growing number of people are regularly using cannabis, while frequent alcohol consumption has remained stable.

**Studies show alcohol sales drop
in the years after legalization of Cannabis
and that alcohol use is less on days that cannabis is used**

TARIFFS

IMPACT: ?

RETAILER SURVIVAL REQUIRES INNOVATION

NAWR is the only organization in the United States that supports and speaks up for an agenda that promotes an alternative to the current restrictive, discriminatory and protectionist three-tier system.

FOUR PILLARS OF NAWR'S WORK

EDUCATION

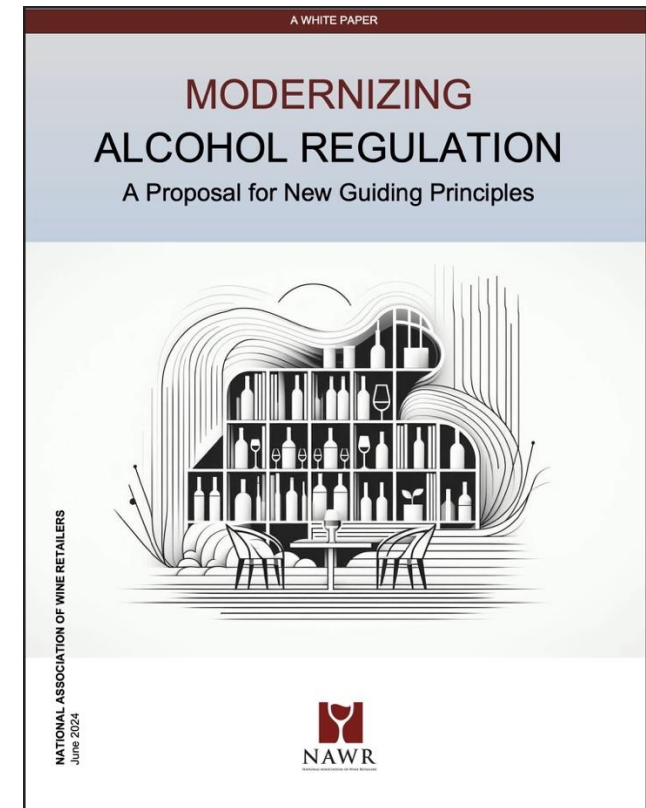
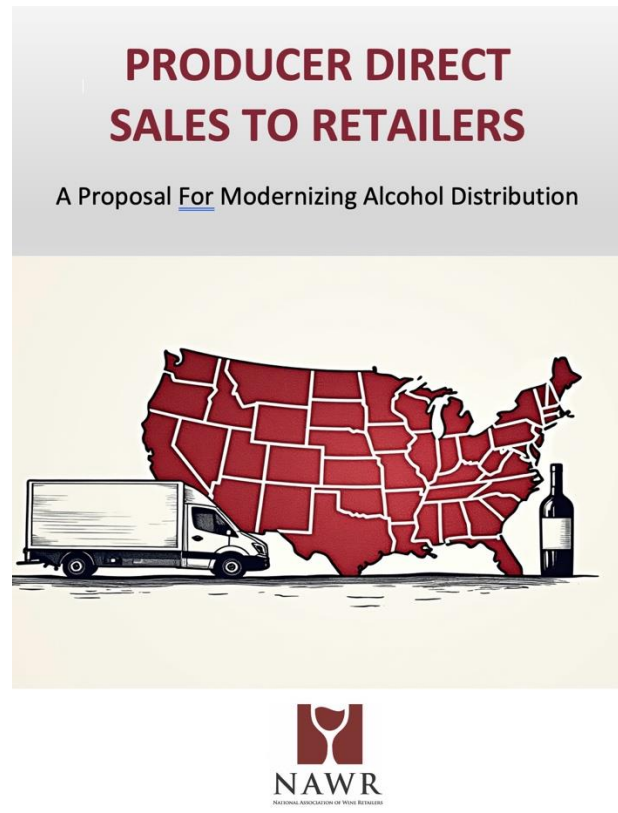
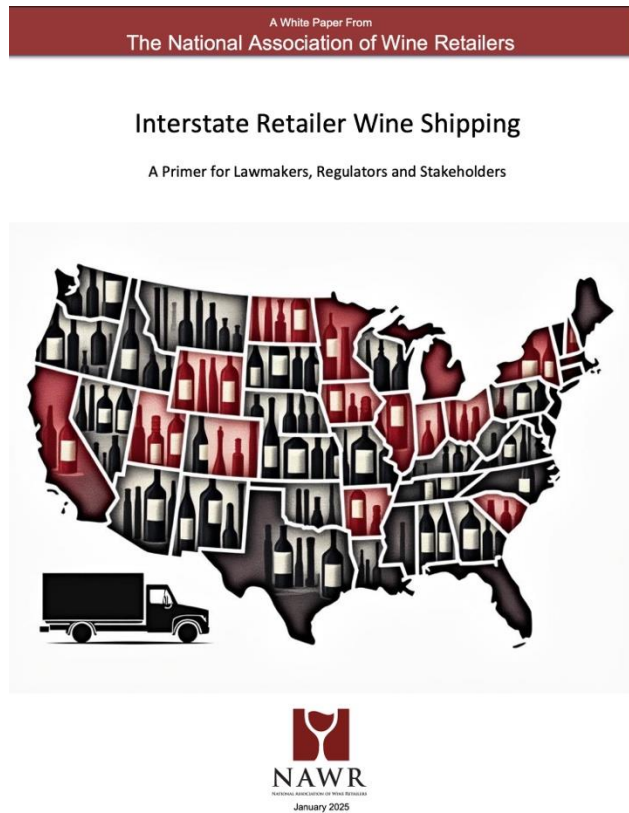
LITIGATION

LEGISLATION

ENGAGEMENT

EDUCATION

White Papers



Press Releases

NAWR Announces Support for Wine Shippers Bill of Rights

NAWR Releases Statement on Tariffs

NAWR RESPONDS TO COURTS
ENDORSEMENT OF DISCRIMINATORY
SHIPPING LAW

**NAWR Brings Renowned Educators and Speakers to
Trade Meeting**

**Lawsuit Challenges
Protectionist California Wine
Distribution Law**

NAWR Supports NY Bill Allowing Wine Shipments

White Papers Highlight Need for Alcohol Regulatory Reform

EDUCATION

EVENTS

2025 **NAWR** WINE RETAILER SUMMIT

San Francisco, California
MAY 7-8, 2025



NATIONAL ASSOCIATION
OF WINE RETAILERS

LITIGATION

- Litigation is a central strategy to challenging archaic and protectionist alcohol laws
- Partnership with Attorneys Robert Epstein and Alex Tanford
- Focus on discriminatory retailer shipping laws and protectionist producer-to-retailer distribution laws
- NAWR works to find plaintiffs, provide expert testimony, offer suggestions on litigation strategy, and organize amicus brief strategy

LITIGATION

Retailer Interstate Shipping Litigation

Premise: States violate the Commerce Clause of the Constitution when they discriminate against out-of-state retailers by banning wine shipments into a state while at the same time allowing in-state retailers to ship to consumers.

Arizona — “Shipping bans are not discriminatory” - En Banc Hearing in 9th Circuit

Ohio — “Ohio has demonstrated discriminatory bans promote health and safety” - On appeal to 6th Circuit

New Jersey - “Banning Retailer shipments are a core feature of the three tier system”

Indiana — Awaiting 7th Circuit Decision since December 2001

Illinois — Briefing the case in District Court

LITIGATION

Retailer Interstate Shipping Litigation

Goal: Open states for legal interstate shipment of wine by retailers either on a circuit-by-circuit bases or nationally via Supreme Court decision, followed by enacting legislation

CHALLENGES

Proving Discrimination: A 3-tier system requires all retailers must have an in-state presence

Overcoming Deference to the State: Judges unwilling to see state arguments as pretexts

Analyzing Non-discriminatory Alternatives: Judges reluctant to require states to show there are no other non-discriminatory alternatives to banning out-of-state shipping bans

LITIGATION

Producer-to-Retailer Litigation

Premise: States that allow its retailers to purchase inventory from in-state producers, but ban retailers from purchasing inventory from out-of-state producer violate the dormant commerce clause just as described in the Granholm v Heald Supreme Court decision.

Oregon: Changed its laws to allow out-of-state producer distribution to retailers

Iowa: State did not show with evidence that its interests are advanced through discrimination

New York: Awaiting Decision from District Court on banning retailers from buying from out-of-state wineries.

California: Case dismissed on Procedural grounds and being refiled.

LITIGATION

Producer-to-Retailer Litigation

Goal: Allow retailers to procure inventory directly from both in-state and out-of-state producers by challenging the constitutionality of discriminatory laws that limit retailers going around wholesalers to purchasing inventory only from in-state producers.

CHALLENGES

Finding Plaintiffs: Many retailers, though supporting the effort, do not want to put themselves in the crosshairs of wholesalers and regulators.

LEGISLATION

- Retailer shipping legislation is sponsored by NAWR in states that would be significant for retailer shipping and there is a chance of success
- Because of the stranglehold on legislature by wholesalers, the chance of success is small and always a multi-year project
- NAWR also supports legislation by others that advances our mission

LEGISLATION

New York: Legislation introduced in House and Senate to allow retailer shipments from out-of-state retailers

Illinois: Supported Legislation to expand amount of wine that can be sold by producers to in-state retailers

Washington State: Suspended attempt to pass retailer shipping legislation due to costs vs likelihood of success.

ENGAGEMENT

- NAWR engages with a variety of organizations and associations to advance pro-retailer agendas.
- Engaging across tiers
- NAWR also supports legislation by others that advances our mission
- Industry engagement through panels and events

ENGAGEMENT

Engagement Activities

- United States Wine Trade Alliance
- Trade Not Tariffs Coalition
- Illinois Grape Growers and Vintners Alliance
- National Conference of State Liquor Administrators
- .Craft Wine Association
- Come Together/Come Over October

RETAILERS REQUIRE

MEET CONSUMERS WHERE THEY ARE

REGUATORY ROOM TO INNOVATE

EXPANSION BEYOND WHOLESALER INVENTORY

A NATIONAL MARKETPLACE

OPPOSITION TO REFORM

100-YEAR-OLD, OUTDATED THREE TIER SYSTEM

A POWERFUL AND CONSOLIDATING MIDDLE TIER

LAWMAKERS PROFITING FROM INERTIA



NAWR

NATIONAL ASSOCIATION OF WINE RETAILERS