

FACTS VS. MYTHS: THE TRUTH ABOUT BIG LIQUOR'S LOBBYING CAMPAIGN



New York State's big liquor distributors and liquor lobby continue to rely on numerous myths and assertions with no basis in objective fact as part of their campaign against the sale of wine in grocery stores. It's time to "set the record straight" with the following facts:

Big Liquor Myth --- Texas, California and Florida have higher rates of alcohol related fatalities than New York, which is the result of the fact that wine is sold in supermarkets in those states.

Fact Check --- That the liquor lobby would suggest that alcohol related fatality rates in Texas (a state which allowed open containers until 2001!) are the result of wine in supermarkets is testament to just how far they are willing to stretch a "fact" to make their case. Closer analysis points out that the statistics they cite do not account for miles driven per capita, so in these large and more geographically dispersed states, their citizens drive more miles on a per capita basis than in New York (which ranks 49th lowest in per capita driving). More miles driven and greater highway exposure leads to a greater chance of DWI, which means these statistics are not at all comparable. Besides, with wine accounting for only 4% of drunk driving cases (according to the *Journal of Studies on Alcohol*), the reality is that there is no correlation between DWI and a state allowing for the supermarket sale of wine.

Big Liquor Myth --- This proposal will increase access to alcohol for young people, and since supermarkets are not adequately prepared to sell wine this change will result in increased underage drinking.

Fact Check --- There is absolutely no evidence to support the suggestion that the sale of wine in grocery stores would increase underage drinking. In fact, according to an FBI statistical report, there is no correlation between states that sell wine in grocery stores and increased incidences of underage drinking or drunk driving. There will be no increase in the total number of outlets to buy alcohol in New York and the state already has procedures in place to prevent alcohol sales to minors at stores that currently sell beer. Safeguards from cash register prompts to "carding" all purchasers of alcoholic beverages are commonplace in supermarkets.

As the Schenectady Daily Gazette concluded on 2/12/09: "As for the liquor stores' argument that the change would make it easier for minors to obtain alcohol, that seems rather far-fetched: For one thing, teens tend to favor beer over wine, and a store that's already selling beer is well versed on the need to check buyers' IDs."

Big Liquor Myth --- Supermarkets have many more underage sales violations.

Fact Check --- Once again, the liquor store industry is playing fast and loose with the facts, since they use total numbers of violations rather than per transaction numbers. Since there are 8.5 times more off-premise beer licensees in NYS than there are liquor stores, there are bound to be more aggregate violations. However, on a per transaction basis – a much more honest assessment – the supermarket industry's record is enviable. For example, as an indication of the responsible sale of alcoholic beverages in grocery stores, one upstate chain instituted a program in 2004 that required proper identification for every purchase of beer and in the period since has conducted over 17 million transactions involving beer with only one violation.

Big Liquor Myth --- If wine is sold in grocery stores, over 1,000 liquor stores will be forced to close, which translates into a loss of over 4,000 jobs.

Fact Check --- A study undertaken by the American Economics Group (*State Licensing of Wine Sales in Food Stores: Impact on Existing Liquor Stores, May 2004*) concluded that the impact on liquor stores would primarily take the form of a reduction in “monopoly profits” and would be more than offset by the positive economic impact of expanding the number of outlets selling wine (which they suggested would create over 2,000 *net* new jobs related to wine production, sales and distribution). The study further found the number of liquor stores per 100,000 population is higher in states that allow the sale of wine in food stores than in those that do not, which indicates there is no evidence that allowing sale of wine in food stores reduces liquor sales. Finally, of the liquor lobby’s projected job loss figures, well-respected economist Hugh O’Neill of Applesseed concluded, “This claim seems completely inconsistent with recent analyses and with experience in other states.” The New York State Grape Growers reports that when wine in grocery stores was implemented in other states, wine sales increased (Idaho 150%, Iowa 93%, Maine 137%, West Virginia 98% and Washington State 53%).

Big Liquor Myth --- New York consumers – and New York wineries seeking additional outlets for their product – have access to enough liquor stores since “... *per capita there are more liquor stores [in New York State] than any other state,*” according to Stefan Kalogridis, President of the NYS Liquor Store Association in the February 9, 2009 issue of “The Legislative Gazette.”

Fact Check --- Simply not true. On a per capita basis, California and Washington State (the two leading wine producing states) have six times more liquor/wine stores than New York State. In fact, New York ranks 46th in per capita wine stores. Clearly, there is sufficient space for New York’s liquor/wine stores and supermarkets to mutually thrive in the sale of wine to an underserved public--- something that 35 other states already allow!

Big Liquor Myth --- There is no coordinated campaign of retribution by the liquor lobby against New York State wineries who support the sale of wine in grocery stores.

Fact Check --- Sadly, especially for the mom and pop wineries whose very livelihoods have been threatened, there is a well organized, well funded campaign of retribution taking place against wineries who support this common sense change. In fact, several wineries have asked state authorities to investigate threats such as the following that was sent to a family winery: “*The liquor store association is going to list on their website all the wineries that are on our side. I feel sorry for those that are not. Most stores are not going to support those not on our list.*” Shortly thereafter, this particular winery received numerous other calls threatening to pull his wines from liquor store shelves and business promptly dropped 70% for the month. Frankly, it is not surprising that some New York wineries would choose to stay away from supporting this change in the face of such strong-arm tactics from the big liquor lobby.

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