



New York STATE OF WINE

TESTIMONY SUBMITTED TO THE JOINT LEGISLATIVE BUDGET HEARING ON ECONOMIC DEVELOPMENT

February 26, 2026

The New York State of Wine Coalition, an unprecedented coalition of supermarkets, independent grocers, wineries, agricultural stakeholders and business groups, strongly urges the NYS Assembly and NYS Senate to include the sale of wine in grocery stores in the FY27 Budget...as a critically important economic development initiative for stakeholders across New York.

In a challenging budget year such as this, this policy would generate new licensing and sales tax revenue without new state spending, support agriculture and our struggling wine industry, stabilize grocery stores that serve as frontline partners in anti-hunger programs, and could support food security initiatives or other threatened budget priorities. It is a common-sense change that will build upon the successes of prior ABC reforms, including cocktails-to-go, alcohol in movie theaters, Sunday liquor sales, and retail to retail sales.

The overwhelming majority of New Yorkers have consistently expressed their support for updating New York's outdated ABC laws to allow grocery stores to sell wine. Furthermore, recent polls also show that fully 80% of New Yorkers who buy wine would continue to visit their local liquor and wine stores, reinforcing the fact that NY liquor stores will continue to thrive in the state alongside grocery stores selling wine, as they do in nearly 40 other states across the country.

WIGS LEGISLATIVE OVERVIEW

Recent conversations around wine in grocery stores (WIGS) have centered on a thoughtful, comprehensive bill introduced by Senator Kruger and Assembly Member Hunter that will provide all of the above-mentioned benefits to NY consumers, small businesses and agricultural interests, while at the same time protecting and providing additional benefits to liquor stores.

Specifically, the WIGS bill only allows the sale of wine in grocery stores which are at least 4,000 square feet with 65% of their sales derived from food (meaning no big box, drug stores or convenience stores), and which are more than 500 feet from an existing liquor store. It is estimated that this would limit the number of new outlets for wine to a maximum of approx. 1,900 locations (vs. 3,500 liquor stores in NYS), with the actual number expected to be far less based on new protections for liquor stores in the bill. This is not an unrestricted expansion, but a carefully structured, limited reform.

POSITIVE ECONOMIC DEVELOPMENT IMPACTS

In addition to the clear benefits for New York consumers, a recent study undertaken by FTI Consulting [*Executive Summary attached*], an independent global research and economic

analysis firm, determined that this common-sense, publicly-supported change to allow wine in grocery stores would generate much-needed new revenue for the state, create additional jobs and hundreds of millions of dollars in new economic activity for our struggling wine industry (again, while having minimal impacts on New York liquor stores):

- WIGS will generate tens of millions of dollars in new revenue, both with initial licensing fees and then with significant ongoing state and local tax revenues.
- It will be an absolute lifeline for our local NYS wine industry, potentially generating more than 3,400 new industry-related jobs and over \$600 million in additional economic activity.
- And finally, the study confirms what New Yorkers have seen themselves in their travels to other states: that impacts on existing liquor stores will be minimal and that they can absolutely co-exist and thrive alongside grocery stores selling wine.

BENEFITS FOR NY'S STRUGGLING WINE INDUSTRY

The retail market for wine in New York is nowhere near capacity and WIGS will provide a critical lifeline for wineries and related agricultural and manufacturing businesses to expand. An April 2025 Dunham Report *[attached]* found that New York ranks fifth nationally in wine producers per capita, but only 14th in retail wine-selling outlets per capita. Although the state produces 19 million gallons of wine annually, shockingly just 13% is sold at New York liquor stores or restaurants. And of the 8 states that produce the most wine in the US, all but New York allow the sale of wine in grocery stores.

The status quo benefits liquor stores with their retail monopoly on wine sales at the expense of consumers and the New York wine sector. On the other hand, expanded availability for New York wineries in grocery stores means greater exposure — and greater exposure drives consumption. Increased wine sales would support the entire New York supply chain: winemakers, bottlers, labelers, packaging producers, distributors, warehouseers, grocers, and the broader retail economy. WIGS doesn't just shift sales — it expands economic development and opportunity, which is why WIGS has earned the support of the New York Farm Bureau, wineries and business leaders across the state.

BENEFITS FOR INDEPENDENT GROCERS SERVING THEIR COMMUNITIES

Additionally, it is important to note that WIGS will benefit hundreds of independent, family- and immigrant-owned, MWBE grocers across the five boroughs and the metropolitan region. As the National Supermarket Association stated in a recent letter from these small business owners to the Legislature:

“Our stores are neighborhood anchors that operate on low single-digit margins and continue to absorb extraordinary cost pressures from inflation, rising rents, and high utility and insurance costs. WiGs will help stabilize our businesses, prevent closures, and promote food access and affordable groceries in the communities we serve.”

As you can clearly see, this issue is about consumer choice, small business stability, and modernizing an outdated system.

CONCLUSION

In a FY27 budget year slated to offer New Yorkers potentially very little good news, wine in grocery stores is a political and policy win on every front: highly popular in public opinion polls, beneficial for small businesses, critical for the State budget at a crucial time, and a boost for New York's struggling wine sector and our broader economy. We once again urge the inclusion in WIGS in the FY27 budget and thank you for your consideration.

www.newyorkstateofwine.org

THE ECONOMIC IMPACT OF WINE SALES IN GROCERY STORES IN NEW YORK

November 2025

Executive Summary

FTI Consulting, an independent global research and economic analysis firm, conducted this study to estimate the fiscal and economic impacts of allowing wine to be sold in grocery stores in New York State. The analysis reviewed trends in four states that recently legalized wine sales in grocery stores (Colorado, Oklahoma, Pennsylvania, and Tennessee) and modeled two potential scenarios for New York:

- **The 2025 Hunter–Krueger bill**, a proposal allowing wine sales only in full-service grocery stores (excluding big-box, convenience, and gas station retailers); and
- **The 2010 wine in grocery stores proposal**, a more expansive model that would have permitted wine sales in most beer retail outlets statewide.

Using publicly available data and the IMPLAN economic model, FTI Consulting assessed the potential impacts of expanded wine sales on New York by evaluating direct fiscal effects (such as license fees and tax revenue), broader, indirect economic impacts, and liquor store trends in states that legalized wine sales in grocery stores.

A Major New Revenue Source at a Critical Time

With federal funding cuts threatening multi-billion-dollar shortfalls for New York State and local governments, FTI Consulting finds that legalization could provide substantial new, recurring revenues without raising taxes.



- Under the **2025 Hunter–Krueger bill**, FTI Consulting estimates:
- **\$17.6 million** in one-time license revenue, and
 - **\$42.7 million per year** in new state and local tax revenues.



- Under the **2010-style legislation**, those benefits increase significantly to:
- **\$92 million** in one-time license revenue, and
 - **\$73.9 million per year** in new state and local tax revenues.

Both scenarios demonstrate a meaningful fiscal opportunity for New York, providing new funding for state and local governments at a moment when the state faces historic budget pressures.

A Lifeline for New York’s Wine Country

New York’s wine industry—once second only to California in output—has fallen behind Washington and Oregon. Tourism in key regions such as Long Island and the Finger Lakes remains below pre-pandemic levels. Expanding wine sales to grocery stores, with an incentive for stores to stock New

York wines, would strengthen connections between local producers and consumers, boost tourism, and generate new economic growth across rural communities.



Under the **Hunter–Krueger** scenario, expanded sales would:

- Support approximately **1,988 jobs**, and
- Generate **\$371.7 million** in new annual economic activity.



Under the **2010-style scenario**, expanded sales would:

- Support up to **3,443 jobs**, and
- Generate **\$643.8 million** in new annual economic activity.

In both scenarios, much of this growth would come from increased sales of New York wines and related agrotourism, drawing more visitors to vineyards, tasting rooms, restaurants, and small local businesses across the state. The Hunter–Krueger bill also dedicates a portion of new license fee revenue to the promotion and marketing of New York–produced wines. These gains represent a direct, sustainable way to boost job creation and private investment in regions still working to recover from pandemic-era tourism losses and agricultural slowdowns.

Minimal Impact on Liquor Stores

FTI Consulting’s review of states that legalized wine sales in grocery stores showed minimal long-term decline in liquor store numbers, even where grocery and convenience store competition was intense. **Tennessee’s** liquor store count increased by nearly 22%, **Pennsylvania’s** showed no significant change, **Oklahoma’s** declined by just 7% over five years, and **Colorado’s** fell by 2.6% after allowing grocery wine sales in 2023. These results suggest that liquor stores have adapted effectively, while expanded wine access has supported overall market growth and competition. New York’s proposed rules include safeguards for liquor stores, including a 500-foot buffer near existing liquor stores and allowances for selling mixers and glassware, that will likely minimize impacts to retailers while offering economic and consumer benefits statewide.

Conclusion

FTI Consulting’s analysis concludes that allowing wine sales in grocery stores would be a fiscally responsible, economically beneficial reform for New York. Whether policymakers pursue the 2025 Hunter–Krueger bill or the broader 2010 model, the findings are clear:

- Significant new revenue for state and local governments;
- A revitalized New York wine and tourism industry; and
- Minimal disruption to existing liquor stores.

At a time of fiscal uncertainty and economic recovery, modernizing New York’s outdated wine laws offers a common-sense solution with broad public support and proven success in other states—a policy that delivers revenue, revitalization, and fairness all at once.

MEMORANDUM

TO: Mona Golub
 FROM: Durim Berisha
 DATE: April 1, 2025
 RE: **The Potential Impact of Wine Sales in Grocery Stores on New York-Produced Wines**

John Dunham & Associates (JDA) has conducted several analyses related to wine sales in grocery stores for New York produced wines. To conduct these analyses, data was gathered from the Alcohol and Tobacco Tax and Trade Bureau, JDA survey data, and other sources. Building on these previous analyses, JDA extended their research to explore how allowing wine sales in grocery stores would impact wine availability in major wine-producing states

Currently, New York only allows wine sales in liquor stores, unlike other major wine-producing states. (See Table 1) This limits consumer access and keeps grocery stores out of the equation. If legislation changed to allow grocery store sales – similar to states like California and Washington – it could create a major shift in retail availability while keeping distribution controlled.

Wine Sales Outlets

Table 1
Wine Outlets in NYS and other Wine-Producing States

State	Population (21+)	Number of Wine Outlets	Outlets Per 100,000	Ranking In Outlets	State Ranking In Wine Production	Wine In Grocery Stores?
California	28,988,643	20,292	70.0	1	1	Yes
Colorado	4,441,305	2,840	63.9	18	19	Yes
Michigan	7,538,746	5,923	78.6	8	7	Yes
New York	14,878,507	3,426	23.0	14	2	No
Oregon	3,259,500	2,348	72.0	27	4	Yes
Texas	21,706,890	13,221	60.9	2	9	Yes
Virginia	6,493,085	4,275	65.8	12	11	Yes
Washington	5,897,062	3,196	54.2	16	3	Yes

Using data from the economic census¹ and the Alcohol and Tobacco Tax and Trade Bureau,² JDA was able to examine the effect that allowing wine sales in grocery stores had on wine availability in key wine-producing states. In the above table, “wine outlets” refers to locations in which Wine in Grocery Stores (WIGS) legislation would encompass – grocery and convenience stores, drug stores, and retail package stores. However, as wine is still not legally sold outside of package stores in New York, the value of 3,426 only includes said package stores. If, however, new legislation passed allowing for wine sales in grocery stores, that number would balloon to 20,578, exceeding even California’s number of outlets.

¹ 2022 Economic Census, *Summary Statistics for the US, State, and Selected Geographies: 2022*, US Department of Commerce, Bureau of the Census, at: <https://data.census.gov/table/ECNBASIC2022.EC2200BASIC>

² 2023 Wine Statistics, *Wine Annual State Statistics*, US Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau, at: <https://www.ttb.gov/regulated-commodities/beverage-alcohol/wine/wine-statistics>

JDA also explored the difference in these states' ranking in both outlets and wine production. In most cases, these states held similar ranks in both categories. New York, with a drinking age population of nearly 15 million, did not. Wine sales in grocery stores would rank New York as the number one state for outlets per 100 thousand drinking age people, at about 138 outlets.

New York Wine Sales

New York wineries produce 19 million gallons of wine annually³. But where does it all go?

- 46.4% (8.2 million gallons) is distributed across the U.S. *outside* of New York State.
- 40.3% (7.7 million gallons) is sold in New York. 13.0% (2.5 million gallons) is sold through liquor stores, restaurants, and taverns.
- 3.4% (645,300 gallons) is exported internationally.

A large portion of New York's wine market is driven by bulk producers, including Pleasant Valley Wine Company, Gallo, Taylor, Mogen David Wine Co. and Constellation Brands. These producers account for 37 percent of the state's total wine production, much of which is sold outside of New York.⁴

While New York produces a significant amount of wine, the majority of what's sold in-state comes from out-of-state or international producers. (See Table 2)

- Total wine sales in New York: 75.2 million gallons
- New York wine production: 19 million gallons (only 25.3% of total sales)
- NY-produced wine sold within the state: 7.7 million gallons (40.3% of NY production)
- NY-produced wine sold through traditional liquor stores & restaurants: 2.5 million gallons (13% of NY production)
- NY-produced wine exported internationally: 645,300 gallons (3.4% of NY production)⁵

Table 2
Distribution of New York Wine Sales

	Gallons	Pct of NY Wine Sales	Pct of NY Wine Production
New York Wine Sales	75,246,201	100.0%	395.7%
New York Wine Production	19,017,568	25.3%	100.0%
New York Wine Exports	645,273	0.9%	3.4%
New York Wine Produced and Sold In NY	7,660,902	10.2%	40.3%
NY Produced Wine Sold Through 3-tier in NY	2,463,406	3.3%	13.0%

³ 2023 Annual State Statistical Report – Wine, US Department of Treasury, Alcohol and Tobacco Tax and Trade Bureau, March 13, 2024, at: <https://www.ttb.gov/media/78741/download?inline>

⁴ Nationally distributed wine is based on employment data by company in New York, multiplied by production per employee.

⁵ 2023 Annual State Statistical Report – Wine, US Department of Treasury

Overall wine sales in New York State come from a recent economic impact analysis of the industry produced for the Wine & Spirits Wholesalers of America (WSWA) by JDA.⁶ There are no independent data available on the percentage of New York State wine sold through distribution (or directly distributed by wineries) in the state. Once nationally marketed wines were removed from the calculations, data on wine sold in the state directly by wineries and through 3-tier distribution channels were based on survey data collected by JDA for numerous studies of the alcohol beverage industry. These data were combined, and averages were used to develop estimates for these calculations.

By expanding wine sales to grocery stores, local wineries could gain more opportunities to reach consumers where they already shop, rather than relying on limited retail channels. Allowing grocery store sales wouldn't just be about consumer convenience – it's about giving New York's wineries a better chance to compete in their own backyard.

⁶ *The Wine and Spirits Industry Economic Impact Study: 2024*, prepared for the Wine & Spirits Wholesalers of America by John Dunham and Associates, 2025, at: <https://wswa.guerrillaeconomics.net/assets/res/methodology.pdf>