



## TESTIMONY SUBMITTED TO THE NYS SENATE AND NYS ASSEMBLY FROM WATERLOO CONTAINER URGING INCLUSION OF WINE IN GROCERY STORES IN THE FY 27 BUDGET

February 26<sup>th</sup>, 2026

Good afternoon and thank you Chairs Krueger and Pretlow, Baskin and Stirpe, and Senate and Assembly members for allowing me the opportunity to speak with you today in support of including Wine in Grocery Stores (“WiGS”) in this year’s budget. My name is Bill Lutz and I’m the President and Founder of Waterloo Container, which services over 500 wineries across New York State. Established and operating in Seneca Falls since 1980, Waterloo Container has more than four decades of experience in the wine packaging and supply sector. We are deeply invested in supporting New York State jobs—directly as well as throughout our supply chain.

Waterloo Container directly employs more than 100 people at our own facility, and through our partnerships with vendors in Binghamton (Teamworld USA), Victor and Syracuse (Koch Container), as well as the NexGen Label Group in Syracuse—with 170 employees—we help sustain hundreds more jobs across Upstate New York. In total, our business directly supports well over 500 New York jobs annually when combining our workforce with the employees at the companies whose operations rely heavily on our business. In some cases, we represent more than 50% of a partner’s annual volume, making our relationship critical to maintaining those positions.

Beyond sustaining current employment, we have a strong track record of growing jobs in New York. Through expanded co-packing operations, we have brought more than \$10 million in business from Puerto Rico to Naples, NY, while also redirecting additional out-of-state work into Upstate communities. That shift alone has strengthened local manufacturing, packaging, and logistics employment.

If wine sales are permitted in grocery stores, the impact would be significant and immediate. Increased demand for New York wine would drive production growth at wineries, which in turn would expand demand for bottles, labels, packaging materials, and logistics services. For Waterloo Container and our partners, that growth could translate into meaningful workforce expansion—potentially increasing our combined direct job support to 600 workers or more as production scales to meet market demand.

Allowing wine in grocery stores would not simply benefit wineries—it would stimulate the entire New York-based supply chain. Wine in Grocery Stores represents an opportunity to grow manufacturing, strengthen Upstate economies, and create additional stable, middle-class jobs across the state.

### ***Expanding the Retail Market Would Help New York Wineries and Associated Businesses***

Waterloo Container’s experience includes insight into supply chain dynamics, regulatory environments, and market expansion. Our goal is to help our customers scale their business profitably. It has been an extraordinary experience to see New York wineries grow from 20 wineries in 1980, when my father and I started our business, to over 600 wineries now operating in New York. We regularly meet with Agriculture and Markets stakeholders in Albany, bringing a deep, firsthand understanding of what drives success and what constrains growth within the New York wine industry.

To enhance the New York wine sector, New York needs to open New York wineries to new markets. It is more pressing now than ever, given that New York winery revenue is down upwards of 10% as a result in part of tariffs and reciprocal trade barriers. At the same time, there is a tremendous opportunity to expand the New York wine market, as New York wineries are winning national awards and fewer foreign wines are available due to those same trade barriers. Now, more than ever, it is time for New York policymakers to help New York wineries and all of the businesses that are associated with wine manufacture, production, and distribution.

Fundamentally, wine in grocery stores expands the retail market for New York wines, because it allows New York wines to be sold in hundreds of new outlets. Expanded retail access would open new markets for New York wineries while stimulating consumer interest in this important New York agricultural product. Currently, only 13% of New York wines are sold at New York liquor stores or restaurants. While New York produces 19 million gallons of wine annually, most of it is sold out of state, often by the same grocery stores which are prohibited from selling New York wine in New York. Opening new markets for New York wines in New York would increase production demand, strengthen in-state supply chains, encourage reinvestment in New York facilities and New York workers, help reverse the current industry contraction, and generally grow the entire industry which includes concomitant sectors like agriculture and tourism.

### ***A Bottle of Wine on a Retail Shelf Is the End Product of a Supply Chain Involving Hundreds Of New York Workers***

There is a diverse supply chain associated with New York wine manufacture and distribution which would benefit from expansion of the New York wine market to grocery stores. Each bottle of New York wine represents a complex, multi-sector economic ecosystem. Expanding retail access would amplify every step of this chain.

### **Agriculture and Harvesting Jobs**

Farms require a diverse workforce, starting with cultivation and harvesting. Vineyards require workers to plant, maintain, and harvest grapes. This includes equipment operators, viticulture specialists, and a workforce to harvest grapes each season. It also requires specialists in irrigation and soil management. Local farm supply businesses and equipment dealers throughout the state would also benefit from expanded New York wine production and investment.

### **Production and Winery Operations**

After cultivation and harvesting, the next step in the supply chain that would benefit from expanded production thanks to market expansion related to winery operations and production. Winemakers and cellar workers maintain New York's award-winning wines and provide quality control. Production line operators oversee the process and manage a vineyard's operations and ready the wine for bottling and distribution.

### **Manufacturing and Packaging Supply Chain Jobs**

Waterloo Container alone is responsible for direct and indirect jobs across New York State and the east coast. We work with wineries to create specialty bottle designs and engineer moulds to create custom bottles. We are responsible for over 1/2 of the annual output of the Ardagh glass furnace in Port Allegany, PA. We ship to 50 states and 36 countries. We work with small wineries and support American made products through manufacturing partnerships with domestic glass factories – no cheap glass from foreign countries!

### *Custom Printing and Shrink Sleeves*

Wines are defined by their labels, and this requires the employment of graphic designers and brand development professionals. Employees operate printing presses and manufacture shrink sleeves. We contract with label production and adhesive suppliers, which includes employment of compliance labeling specialists, and oversight, brand management, and marketing professionals—all working in New York State. Waterloo Container works with a printing company located in Binghamton which employes several hundred workers.

### *Closures and Finishing Components*

Once the bottle is custom-designed, manufactured, and labeled, suppliers seal and finish the bottle for distribution. Sealing the bottle requires corks, which brings the natural cork industry into the supply chain. Other bottles use synthetic corks, or screw caps, and includes metal formation companies. Each bottle also requires the manufacture of capsules, which are the protective and decorative sleeve that covers the cork and neck of the wine bottle and provides brand enhancement, tamper evidence, and enhances shelf-appeal. Each of these components involve closure supply chains and distribution networks.

### *Corrugated and Secondary Packaging*

Once bottles are created and filled with New York wine, corked and sealed, they must be packaged for distribution. This part of the supply chain involves corrugated box manufacturers, packaging engineers, box printing and branding services, case packers and fulfillment workers, pallet manufacturers, heat treatment and pallet certification services, and stretch wrap and protective packaging suppliers. Our corrugated boxes are made in New York state, at a facility located in Syracuse and Rochester that employes 100+ New York workers.

### **Distribution, Logistics and Transportation**

Once New York wine is produced, bottled and packaged, the distribution, logistics and transportation networks form the next step in the supply chain. Local and interstate truck drivers physically move the product. Freight brokers and logistics coordinators ensure the right products are shipped to the right warehouses. Warehouse workers and forklift operators are employed to manage incoming and outgoing product. Distribution center employees, inventory management professionals and shipping and receiving personnel administer operations. Fuel suppliers and fleet maintenance workers ensure that trucks move on schedule. All of these businesses and workers are integral to getting wine to the retail market for sale to consumers, and would benefit from the expansion of wine sales to more retail sales locations, as WiGS would provide.

All of these steps in the supply chain represent New York businesses and New York workers employed across the state. All of these businesses and workers would benefit from the expansion of the New York wine market to new retail outlets. Wine in Grocery Stores represents a generational opportunity to expand the market, at exactly the time when New York wineries and supporting industries need it most. For that reason, Waterloo Container supports the inclusion of WiGS in this year's budget. Now is the time for enactment of this important economic development measure.